

**ITEM 1
COVER PAGE**

Part 2A of Form ADV: Firm Brochure

EASTERLY ACQUISITION II LLC

December 12, 2018

Easterly Acquisition II LLC
595 Madison Avenue, 17th Floor
New York, New York 10022
Telephone: (646) 712-8300
Fax: (646) 383-9413

Darrell Crate, Managing Director
Eric Colandrea, Chief Compliance Officer

This brochure (this “Brochure”) provides information about the qualifications and business practices of Easterly Acquisition II LLC (“Levin Easterly”). If you have any questions about the contents of this brochure, please contact Easterly at (646) 712-8300 and/or ecolandrea@easterlycapital.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Levin Easterly has filed to register as an investment adviser with the SEC. Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

ITEM 2

MATERIAL CHANGES

This Brochure is Levin Easterly's initial brochure; therefore, there are no material changes to report. In the future, if the Brochure – when amended in conjunction with an annual amendment – contains material changes from the last annual updating amendment, Levin Easterly will identify and discuss such changes. Please note that this Brochure has been prepared to reflect the advisory business that Levin Easterly will be conducting following the approval of its application for SEC registration.

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ITEM 4 ADVISORY BUSINESS

General Description of Advisory Firm

On November 20, 2018, Easterly Acquisition II LLC (“Levin Easterly”) entered into an asset purchase agreement to acquire certain assets and assume certain liabilities from Levin Capital Strategies, LP (“Levin Capital”). Under this asset purchase agreement, Easterly will acquire Levin Capital’s institutional asset management business and related operations, including, subject to each Levin Capital client’s consent, the investment advisory accounts serviced by that business and associated assets, liabilities and employees (the “Transaction”). In connection with the closing of the Transaction, Levin Easterly will change its name from Easterly Acquisition II LLC to a name that will be agreed upon by Levin Capital and Levin Easterly, which will incorporate the name “Levin.”

Levin Easterly will provide discretionary or non-discretionary investment advice and/or management services according to the stated investment objectives, restrictions, and policies of each Levin Easterly investment advisory client. Levin Easterly’s clients will consist of separately managed accounts (“Separately Managed Accounts”), model portfolios (“Model Portfolios”), and sub-advisory accounts with funds sponsored by other managers (“Sub-Advised Funds”), including funds that are registered investment companies under the Investment Company Act of 1940 (“Registered Funds”) (each, a “Client” of Levin Easterly and together, “Clients” of Levin Easterly). Levin Easterly will enter into a written investment management agreement with each of its Clients. Levin Easterly will maintain full-power and authority to supervise and may make investment decisions on behalf of each Separately Managed Account, Sub-Advised Fund and Registered Fund (each sometimes also referred to as a “Managed Account” or collectively as, “Managed Accounts”) with and without prior consultation with the Client.

Levin Easterly will generally follow “bottom-up” value investment strategies and Levin Easterly will invest Client assets primarily in “large-cap” (defined as an issuer’s market capitalization is greater than \$7 billion) and “mid-cap” equity securities of both domestic and foreign issuers traded on a U.S. exchange. Levin Easterly will also have capabilities with mid-cap and all-cap investment strategies which invest in similar type of securities. Similarly, Levin Easterly’s investment decisions and advice with respect to the Managed Accounts will be made in accordance with the applicable Client’s investment objectives and guidelines, as well as any written or verbal instructions or restrictions provided by the Client to Levin Easterly and the information provided in the Client’s investment management agreement.

Levin Easterly for its Separately Managed Accounts, Model Portfolios, and Sub-Advised Funds following “long-only” strategies will primarily invest in equity securities, ADRs/ADSs (including large foreign issuers whose ADRs/ADSs trade “over-the-counter”), foreign equity securities traded on a recognized U.S. exchange, warrants and convertible securities. Levin Easterly will also manage Model Portfolios of securities for other registered investment advisers. Levin Easterly will not execute security transactions for any Model Portfolio, nor will Levin Easterly be aware of when actual transactions occur, if at all. Other strategies may also trade U.S. Treasury obligations, corporate debt, exchange-traded funds (“ETFs”), foreign equity securities traded on a foreign exchange, options, futures contracts, and SWAPS (Contracts for Differences or Equity SWAPS).

Levin Easterly will also manage on a sub-advisory basis open-end Registered Funds and foreign investment advisory relationships.

Levin Easterly may also manage the accounts of certain family members, employees, affiliates and affiliates of family members of Levin Easterly personnel on a discretionary basis.

In connection with providing investment management services for each of the above described Clients,

Levin Easterly will be granted discretionary trading authorization (other than Model Portfolios) and may be granted proxy voting authorization.

This Brochure generally includes information about Levin Easterly and its relationships with its Clients and affiliates. While much of this Brochure applies to all such Clients and affiliates, certain information included herein applies to specific Clients or affiliates only.

Brief History

Levin Easterly, a Delaware limited liability company, was formed in October 2018 to engage in the Transaction. Levin Easterly is wholly owned by LE Partners Holdings LLC, a Delaware limited liability company, which is wholly owned by Easterly Partners Group LLC, a Delaware limited liability company (“EPG”). EPG is a principally owned by EPG Holdings LLC, a Delaware limited liability company, which is wholly owned by Easterly LLC, a Delaware limited liability company (“Easterly LLC”). Easterly LLC is owned by Darrell Crate and Avshalom Kalichstein.

Upon completion of the Transaction, Levin Easterly will primarily offer four (4) “long-only” value biased investment strategies that focus on U.S. traded securities:

- Large-Cap
- Mid-Cap
- All-Cap
- Financial Sector - primarily focused on large-cap and mid-cap equities

Most of the above strategies can have various degrees of concentration and/or diversification through the number of portfolio holdings and sectors. These strategies may be managed on a taxable and non-taxable basis. Upon a Client’s or prospective Client’s request, Levin Easterly could provide other investment strategies provided that Levin Easterly believes such investment strategy could be implemented.

The “long-only” investment strategies may have variations of investment styles based on the Client’s investment strategy, criteria, investment restrictions, portfolio concentration, tax status, time horizon and risk tolerances. These types of strategies may be a concentrated style having fewer holdings with higher or lower capital weightings than those Clients following a more diversified strategy. A concentrated strategy may have additional risks including higher volatility and increased loss of capital than a more diversified strategy, and a diversified strategy may result in higher or lower returns than a concentrated portfolio. Non-taxable accounts may trade more frequently and may hold different portfolio securities from taxable accounts as taxable considerations may weigh into the investment decision process. The research teams’ knowledge will be leveraged across all Levin Easterly’s strategies that are based on the same value orientated, bottom-up fundamental research and feature a commitment to capital preservation, downside protection, and controlled volatility.

The descriptions set forth in this Brochure of specific advisory services that Levin Easterly will offer to Clients, and investment strategies pursued and investments that will be made by Levin Easterly on behalf of its Clients, should not be understood to limit in any way Levin Easterly’s investment activities. Levin Easterly may offer any advisory services, engage in any investment strategy and make any investment, including any not described in this Brochure, that Levin Easterly considers appropriate, subject to each Client’s investment objectives and guidelines. The investment strategies Levin Easterly will pursue are speculative and entail substantial risks. Clients should be prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives of any Client account(s) will be achieved.

Levin Easterly’s investment decisions and advice with respect to each Client will be subject to each

Client's investment objectives and guidelines, as set forth in the Client's investment management agreement, as well as any written or verbal instructions provided by the Client to Levin Easterly.

Management of Client Assets

Levin Easterly will manage Client assets on a discretionary basis and make recommendations for investments for Model Portfolios on a non-discretionary basis. As of the date of this Brochure, Levin Easterly has no assets under management, but expects to have approximately \$6 billion of net assets under management following the closing of the Transaction (which is a different figure than the amount of regulatory assets under management reported in Levin Easterly's Form ADV, Part 1A, Item 5). Updated information is available from Levin Easterly upon request.

ITEM 5 FEES AND COMPENSATION

The fees applicable to each Client's Managed Account will be set forth in detail in each Client's investment management agreement. A brief summary of such fees is provided below.

Separately Managed Accounts and Model Portfolios

Levin Easterly will generally charge each Separately Managed Account and each Model Portfolio a management fee of up to 1.0% per annum of assets under management, typically charged quarterly in arrears. Certain Clients may also be charged an annual incentive fee of up to 20% of any realized and unrealized capital appreciation and in some cases over a specific benchmark(s) and/or hurdle. Subject to negotiation, certain large qualified Clients may obtain different fee schedules which may include a performance-based fee structure. Fees for Clients are subject to negotiation and established pursuant to each Client's investment management agreement.

Levin Easterly, at its option, may elect not to charge a Client a management fee on a portion of the Client's portfolio where, in Levin Easterly's opinion, the account has a "high cash" or "high cash equivalent" (money market securities or short-term Treasury obligations) position that is in excess of 20% of the Client's portfolio. Fees will be paid to Levin Easterly by a Client either by a custodian deducting fees from a Client's account as authorized by the applicable Client or by the Client directly.

Set forth in the chart below is the standard investment management fee structure for Managed Accounts following a "long-only" investment strategy, which is subject to negotiation:

<u>Net Asset Value</u>	<u>Rate</u>
Under \$5 Million	1.00% annually
\$5 million - \$15 million	0.75% annually on entire account
\$15,000,001 - \$99,999,999 million:	0.75% for the first \$15 million 0.50% for additional amounts
Over \$100 million	Negotiable

Levin Easterly, at its discretion, may adjust the management fees borne by the Client in the event of material additional capital contributions and withdrawals from the account. Generally, when a Client makes capital contributions or withdrawals that in the aggregate increase or decrease the net asset value of the Client's account by 10% or greater during a calendar quarter, the management fees will be prorated based on the actual number of days in such calendar quarter before and after the applicable contribution to, or withdrawal from, the account.

Generally, the investment management agreement between the Client and Levin Easterly will be terminable upon receipt of written notice of termination by either Levin Easterly or the Client. Levin Easterly generally will bill Clients in arrears, however for those Clients that elect to be billed in advance, the Client will be entitled to any unearned portion of the management fee upon termination.

Certain family members, employees, affiliates and affiliates of family members of Levin Easterly personnel may have a lower fee schedule than other Clients. Certain qualified and eligible Clients may negotiate a performance-based fee arrangement.

Any performance-based compensation will be charged or allocated, as applicable, in accordance with Section 205 of the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act"), and Rule 205-3 under the Advisers Act.

Sub-Advised Fund Clients

The Sub-Advised Funds will bear management fees and/or incentive fees that are individually negotiated and vary depending upon the account. Generally, Levin Easterly will be entitled to receive a management and/or incentive fee in its role as a sub-adviser. The management fee and/or incentive fee applicable to each Registered Fund and Sub-Advised Fund is set forth in detail in the respective funds' prospectus, statement of additional information, or private offering memorandum, which management fee and/or incentive includes the portion of any management fee and/or incentive fee that the Sub-Advised Fund's advisor pays to Levin Easterly. Payment of fees may vary depending on the investment management agreement and is subject to those terms and conditions.

Managed Account Expenses

Levin Easterly's management fee with respect to each Managed Account will not include (a) brokerage charges, which are paid on a transactional basis by the Managed Account, (b) dealer mark-ups or mark-downs on securities purchased or sold for an account through third-party dealers, (c) fund expenses that include director fees, administrator fees, auditing and tax preparation fees or other professional expenses, (d) taxes or regulatory fees and (e) custodial and other miscellaneous fees. In addition, if the Managed Account holds a registered investment company (open-end, closed-end, ETFs or "money market" mutual fund shares) or a publicly traded partnership, the managers of such entities may charge management fees and expenses, which would be in addition to Levin Easterly's investment advisory fee.

Each Managed Account may bear certain of the fees and expenses described above. The expenses borne by a Managed Account are set forth in the Managed Account's investment management agreement.

To the extent practicable, Levin Easterly seeks to fairly allocate shared research expenses among its Clients. While Levin Easterly will apply methodologies for specific items in a manner that is intended to allocate those items in a fair and reasonable manner, as a general matter, Client accounts are generally allocated a pro rata portion of any applicable expenses.

However, certain Client accounts are not and may not be assessed all or a portion of certain research expenses or similar expenses; this can be due to a variety of reasons. For example:

- A small number of Clients will be subject to the "unbundling" requirements of the legislative package known as a recast of the Markets in Financial Instruments Directive ("MiFID II") and cannot pay commissions on a full-fee bundled (*i.e.*, research and execution) commission basis; these Clients may therefore effectively pay for execution only (and are not assessed any portion of research expenses).
- Other Clients may suggest or require that Levin Easterly execute a portion of their trades through a particular broker according to a pre-negotiated commission schedule (*i.e.*, a "directed brokerage" arrangement) and, if that designated broker is not otherwise providing research that Levin Easterly would purchase, those commissions are, in essence, not supporting the acquisition of research that Levin Easterly acquires in the process of investing and trading for Client accounts and are, effectively, therefore not sharing in the allocation of research expenses. Accounts of Levin Easterly personnel will be generally held in such directed brokerage arrangements with Fidelity Brokerage Services LLC ("Fidelity").
- Other regulatory requirements that do not permit Levin Easterly to allocate certain research expenses, such as "soft dollars."

As a result of these arrangements, certain Clients will not bear any research expenses and, accordingly, the remaining Client accounts bear an increased proportionate share of research expenses.

Additional Compensation and Conflicts of Interest

Neither Levin Easterly nor any of its supervised persons accepts compensation (*e.g.*, brokerage commissions) for the sale of securities or other investment products.

Levin Easterly is under common control with Easterly Securities LLC, which is a registered as a broker-dealer with the SEC. As detailed further in Item 10 of this Brochure, Darrell Crate and Avshalom Kalichstein are control persons of Easterly Securities LLC and Eric Colandrea is the Chief Compliance Officer of Easterly Securities. While these individuals will be control persons of Levin Easterly, none of them will receive transaction-based compensation.

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PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Clients may be charged a management fee only, a management fee and a performance fee, or a performance fee only. The variation of the incentive compensation structures among Clients may create an incentive for Levin Easterly to direct the best investment ideas to, or allocate or sequence trades in favor of, Clients that pay or allocate performance fee compensation to Levin Easterly or its affiliates.

To address this conflict, Levin Easterly has adopted policies and procedures reasonably designed to comply with its fiduciary obligations by seeking to allocate investment opportunities on a fair and equitable basis. Investment allocation determinations are based on several factors, including but not limited to investment strategy, risk tolerance, investment objective, taxable status, suitability, time horizon and account guidelines and restrictions, if any. Client's Directed Brokerage Accounts held at different custodians or brokerage firms may realize different prices and commission rates. Please refer to *Trade Allocation and Aggregation Policies and Procedures* under Item 10 *Brokerage Practices* below.

ITEM 7
TYPES OF CLIENTS

As previously noted, Levin Easterly will generally provide investment advice to Separately Managed Accounts, Registered Funds and other funds on a sub-advisory basis and Model Portfolios on either a discretionary or non-discretionary basis. Levin Easterly's Separately Managed Accounts may include corporations, pension plans (both U.S. and foreign), public plans, large institutional accounts, endowments, foundations, high net worth individuals, and trusts and estates.

Levin Easterly will generally require a minimum account size of \$1 million in order to establish a Separately Managed Account, although Levin Easterly may, in its sole discretion, require a larger amount or accept a smaller amount of initial assets from a potential Client.

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METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS

The descriptions set forth in this Brochure of specific advisory services that Levin Easterly will offer to Clients, investment strategies it will pursue and investments that will be made by Levin Easterly on behalf of its Clients, should not be understood to limit in any way Levin Easterly's investment activities. Levin Easterly may offer any advisory services, engage in any investment strategy and make any investment, including any not described in this Brochure, that Levin Easterly considers appropriate, subject to each Client's investment objectives and guidelines. The investment strategies that Levin Easterly will pursue are speculative and entail substantial risks. Clients should be prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives of any Client will be achieved.

To construct a Managed Account's portfolio, Levin Easterly will generally utilize a fundamental, bottom-up methodology that seeks to identify situations where in Levin Easterly's opinion there are (i) significant gaps between market perceptions and economic realities and (ii) identifiable catalysts that could close such gaps.

Levin Easterly believes that the fundamental approach to select attractive "long" equity positions is the key to achieving sustained and substantial appreciation. In evaluating potential investments, Levin Easterly will typically engage in a detailed, bottom-up analysis of potential investments.

Select Clients may pursue an event-driven, long/short strategy that primarily invests in U.S. publicly traded securities. This strategy may invest in (i) merger arbitrage and event-driven arbitrage transactions, including "special situations" investments, (ii) corporate restructuring and other event-driven situations, (iii) convertible securities on an outright and hedged basis, (iv) subordinated debt, debt claims, bank debt and other loans that are potentially volatile, including securities in undervalued, vulnerable, distressed and bankrupt entities, and (v) other securities or instruments in which such Managed Account may realize value based on fundamentals.

Select Managed Accounts may utilize leverage to take advantage of perceived market opportunities. The use of leverage entails certain risks (including, without limitation, the potential of increased losses and performance volatility) and expenses.

Principal Risks

The following risk factors do not purport to be a complete list or explanation of the risks involved in an investment for a Managed Account, and the following risk factors may not be applicable to all Clients. An investment by a Client is speculative and involves a substantial degree of risk, including the risk that an investor could lose some or all of its investment. Prospective investors should carefully consider the risks of investing, which include, without limitation, those set forth below which are more fully described in the applicable private investment fund's offering documents. These risk factors include only those risks Levin Easterly believes to be material, significant or unusual and relate to particular significant investment strategies or methods of analysis employed by Levin Easterly and do not purport to be a complete list or explanation of the risks involved in an investment in the Clients advised by Levin Easterly.

Equity Securities: Levin Easterly will generally follow a "large-cap" value "bottom-up" approach towards managing Client assets. Levin Easterly may also follow an "all-cap" and/or "mid-cap" "bottom-up" approach for certain Clients. Levin Easterly defines "large-cap" issuers as issuers having market capitalization greater than U.S.\$7 billion. Levin Easterly will primarily invest in equity securities trading in the United States, however certain Managed Accounts may also invest in foreign traded securities which are perceived to have a greater risk. The value of these financial instruments generally will vary with the performance of the issuer and movements in the equity markets. As a result, a Managed Account may suffer losses if Levin Easterly invests in equity instruments of issuers whose performance diverges

from Levin Easterly's expectations or if equity markets generally move in a single direction. Managed Accounts following an alternative investment strategy may be hedged. A Managed Account may also be exposed to risks that issuers will not fulfill contractual obligations such as, in the case of convertible securities or delivering marketable common stock upon conversions of convertible securities and registering restricted securities for public resale.

Convertible Securities: Convertible securities are bonds, debentures, notes, preferred stocks or other securities that may be converted into, or exchanged for, a specified amount of common stock of the same or different issuer within a particular time period at a specified price or formula. A convertible security entitles the holder to receive interest that is generally paid or accrued on debt or a dividend that is paid or accrued on preferred stock until the convertible security matures or is redeemed, converted, or exchanged. Convertible securities have unique investment characteristics in that they generally (i) have higher yields than common stocks, but lower yields than comparable non-convertible securities, (ii) are less subject to fluctuation in value than the underlying common stock due to their fixed-income characteristics, and (iii) provide the potential for capital appreciation if the market price of the underlying common stock increases.

The value of a convertible security is a function of its "investment value" (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege) and its "conversion value" (the security's worth, at market value, if converted into the underlying common stock). The investment value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. The credit standing of the issuer and other factors may also have an effect on the convertible security's investment value. The conversion value of a convertible security is determined by the market price of the underlying common stock. If the conversion value is low relative to the investment value, the price of the convertible security is governed principally by its investment value. To the extent the market price of the underlying common stock approaches or exceeds the conversion price, the price of the convertible security will be increasingly influenced by its conversion value. A convertible security generally will sell at a premium over its conversion value by the extent to which investors place value on the right to acquire the underlying common stock while holding fixed-income security. Generally, the amount of the premium decreases as the convertible security approaches maturity.

A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security's governing instrument. If a convertible security held by a Managed Account is called for redemption, such Managed Account will be required to permit the issuer to redeem the security, convert it into the underlying common stock, or sell it to a third party. Any of these actions could have an adverse effect on such Managed Account's ability to achieve its investment objective.

Market Risk: Prices of securities (and stocks in particular) have historically fluctuated. Managed Accounts returns and principal value will fluctuate, and the original investment may be worth more or less than the original cost.

Competition; Availability of Investments: Certain markets in which Levin Easterly may invest on behalf of Managed Accounts are extremely competitive for attractive investment opportunities and, as a result, there may be reduced expected investment returns. There can be no assurance that Levin Easterly will be able to identify or successfully pursue attractive investment opportunities in such environments. Among other factors, competition for suitable investments from other pooled investment vehicles, the public equity markets, and other investors may reduce the availability of investment opportunities. There has been significant growth in the number of firms organized to make such investments, which may result in increased competition for Levin Easterly in obtaining suitable investments.

Investments in Undervalued Securities: Levin Easterly may invest in undervalued securities. The identification of investment opportunities in undervalued securities is a difficult task, and there is no

assurance that such opportunities will be successfully recognized or acquired. While investments in undervalued securities may offer the opportunity for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses.

Levin Easterly may make certain speculative investments in securities which are believed to be undervalued; *however*, there are no assurances that the securities purchased will, in fact, be undervalued. In addition, a Client may be required to hold such securities for a substantial time period before realizing their anticipated value providing such value is ever realized. During this period, a portion of a Client's assets would be committed to the securities purchased, thus possibly preventing such Client from investing in other opportunities. In addition, a Client may finance such purchases with borrowed funds and thus will have to pay interest on such funds during such holding period.

Style Risk: Levin Easterly will identify opportunities in various securities/companies sectors that appear to be temporarily depressed or in Levin Easterly's opinion may be undervalued. The prices of securities with these types of characteristics may tend to go down more than others in their sector. Levin Easterly will utilize a disciplined and deliberate investing approach, and there may be times when Clients have a significant cash position. A substantial cash position can adversely impact a Managed Account's performance in certain market conditions and may make it more difficult for a Client to achieve its investment objective, subject to Client guidelines and restrictions.

Focus and Non-Diversification Risk: Certain Managed Account's portfolios may be non-diversified and follow a more concentrated investment strategy. This means that a Managed Account may have investments in fewer issuers, can be more volatile, and may increase or decrease in value and realize greater potential gains and losses than that of a more diversified Managed Account of comparable size.

Concentration of Investments: Some Managed Accounts will not have fixed quantitative guidelines for diversification and may for any given time period be concentrated in particular positions. As a consequence, such Managed Account's returns as a whole may be adversely affected by the unfavorable performance of even a single investment or strategy by a portfolio.

Interest Rate Risk: In general, the value of bonds and other debt securities falls when interest rates rise. Longer term obligations are usually more sensitive to interest rate changes than shorter-term obligations. While bonds and other debt securities normally fluctuate less in price than common stocks, there have been extended periods of increases in interest rates that have caused significant declines in bond prices.

Credit Risk: The issuers of the bonds and other debt securities held in Managed Accounts may not be able to make interest or principal payments. Even if these issuers are able to make interest or principal payments, they may suffer adverse changes in financial condition that would lower the credit quality of the security, leading to greater volatility in the price of the security.

Investment and Trading Risks in General: Clients should be aware that they may lose all or part of their investment. No guarantee or representation is made an investment program will be successful. An investment program may utilize such investment techniques as concentrating its portfolios in the securities of particular companies or industries or limited diversification, which practices can, in certain circumstances, maximize the impact of adverse market moves to which such a Client may be subject.

Systemic Risk: Credit risk may also arise through default by one of several large institutions that are dependent on one another to meet their liquidity or operational needs so that a default by one institution causes a series of defaults by the other institutions. This is sometimes referred to as a "systemic risk" and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms, and exchanges, with which the Client may interact on a frequent basis.

In addition, certain Managed Accounts that follow an alternative investment strategy may be subject to

these additional risks:

Investment and Trading Risks in General: In addition to risks disclosed above in *Investment and Trading Risks in General*, Clients should be aware that an alternative investment strategy may utilize investment techniques such as engaging in short sales, option transactions, swap or contracts for differences or margin transactions, which practices can also, in certain circumstances, maximize the impact of adverse market moves to which such a Client may be subject.

Use of Leverage: While leverage presents opportunities for increasing a Managed Account's total return, it has the effect of potentially increasing losses as well. Accordingly, any event which adversely affects the value of an investment of a Managed Account would be magnified to the extent the investment is leveraged. The cumulative effect of the use of leverage by a Managed Account in a market that moves adversely to such Managed Account's investments could result in a substantial loss to such Managed Account which would be greater than if such account was not leveraged.

In general, a Managed Account's anticipated use of short-term margin borrowings results in certain additional risks to the Client. For example, should the securities pledged to brokers to secure a Managed Account's margin accounts decline in value, the Managed Account could be subject to a "margin call," pursuant to which the Client must either deposit additional funds or securities with the broker, or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden drop in the value of such Managed Account's assets, such Managed Account might not be able to liquidate assets quickly enough to satisfy its margin requirements.

Trading is Leveraged: The banks and broker-dealers that provide financing to a Managed Account can apply essentially discretionary margin, haircut, financing, and collateral valuation policies. Changes by banks and dealers in any of the foregoing may result in large margin calls, loss of financing and forced liquidations of positions at disadvantageous prices. In addition, money borrowed by a Managed Account will be subject to interest costs, which will be an expense of the Managed Account, and, to the extent not covered by income attributable to the investments acquired, will adversely affect the operating results of the Managed Account. Irrespective of the risk control objectives of a Managed Account, the use of leverage necessarily entails some degree of risk.

Currency: A Managed Account may invest a portion of its assets in instruments denominated in currencies other than the U.S. dollar, the price of which is determined with reference to currencies other than the U.S. dollar. Each Managed Account will, however, value its securities and other assets in U.S. dollars. To the extent unhedged, the value of a Managed Account's assets will fluctuate with U.S. dollar exchange rates as well as the price changes of such Client account's investments in the various local markets and currencies. Thus, an increase in the value of the U.S. dollar compared to the other currencies in which a Managed Account makes its investments will reduce, all other economic factors being constant, the effect of increases and magnify the effect of decreases in the prices of the Client account's securities in their local markets. Conversely, a decrease in the value of the U.S. dollar will have the opposite effect on the Managed Account's non-U.S. dollar securities.

Foreign Securities/Non-U.S. Investments: The success of a Managed Account's activities will be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of a Client's investments), trade barriers, currency exchange controls, and national and international political circumstances. These factors may affect the level and volatility of securities prices and the liquidity of a Client's investments. Volatility or illiquidity could impair such Client's profitability or result in losses.

The economies of non-U.S. countries may differ favorably or unfavorably from the U.S. economy in such respects as growth of the gross domestic product, the rate of inflation, currency depreciation, asset reinvestment, resource self-sufficiency and balance of payments position. Further, certain non-U.S.

economies are heavily dependent upon international trade and, accordingly, have been and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. The economies of certain non-U.S. countries may be based, predominantly, on only a few industries and may be vulnerable to changes in trade conditions and may have higher levels of debt or inflation.

With respect to certain countries, there is a possibility of expropriation, confiscatory taxation, and imposition of withholding or other taxes on dividends, interest, gains, gross sale or disposition proceeds or other income, limitations on the removal of funds or other assets of a Client, political or social instability or diplomatic developments that could affect investments in those countries. An issuer of securities may be domiciled in a country other than the country in whose currency the instrument is denominated. The values and relative yields of investments in the securities markets of different countries, and their associated risks are expected to change independently of each other.

Derivative Instruments: Certain Managed Accounts may invest in swaps, options and other derivative instruments that may be subject to various types of risks, including market risk, credit risk, liquidity risk, legal risk and operations risk. A Managed Account's use of derivatives could reduce returns, may not be liquid, and may not correlate precisely to the underlying securities or index. Derivative securities are subject to market risk, which could be significant for those derivatives that have a leveraging effect that could increase the volatility of such Managed Accounts. Derivatives are also subject to the risk of material and prolonged deviations between the theoretical and realizable value of a derivative (*e.g.*, due to non-conformance to anticipated or historical correlation patterns). Derivatives are also subject to credit risks related to the counterparty's ability to perform, and any deterioration in the counterparty's creditworthiness could adversely affect the instrument. A risk of using derivatives for hedging purposes is that Levin Easterly might imperfectly judge the market's direction, which could render a hedging strategy ineffective or have an adverse effect on the value of the derivative. Furthermore, many derivatives, particularly those that are not traded in transparent markets, may be subject to significant price risk. Prices in these markets are privately negotiated and there is a risk that the negotiated price may deviate materially from fair value. This deviation may be particularly acute where there is no active market available from which to derive benchmark prices. The price of a given derivative may demonstrate material differences over time between its theoretical value and the value that may actually be realized by a Managed Account (*e.g.*, due to non-conformance to anticipated or historical correlation patterns). Many over-the-counter derivatives are priced by the dealer; however, the price at which a dealer values a particular derivative may not comport with the price at which a Managed Account seeks to buy or sell the position. In many instances, a Managed Account will have little ability to contest the dealer's valuation. Derivatives, particularly to the extent they are transacted on an over-the-counter or bilateral basis or are highly customized, may also be highly illiquid, making it difficult, or in some cases impossible, for a Managed Account to exit a position at what Levin Easterly considers a reasonable price.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in a Managed Account. Levin Easterly encourages its Clients and prospective Clients to consider all risk factors Levin Easterly has explained in this Brochure.

ITEM 9
DISCIPLINARY INFORMATION

There are no legal or disciplinary events that are material to a Client's or prospective Client's evaluation of Levin Easterly's advisory business or the integrity of Levin Easterly's expected management.

ITEM 10
OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Broker-Dealer Affiliation

Easterly Securities LLC (“Easterly Securities”), a subsidiary of EPG, is a SEC and Financial Industry Regulatory Authority (“FINRA”) registered broker-dealer, and Darrell Crate and Avshalom Kalichstein are control persons of Easterly Securities. Eric Colandrea is the Chief Compliance Officer of Easterly Securities.

Levin Easterly will not engage Easterly Securities to act as the broker-dealer in connection with Levin Easterly’s advisory services to Clients, and no Client transactions will be traded by or cleared through Easterly Securities.

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

Levin Easterly and its management persons are not registered as, and do not have any application to register as, futures commission merchants, commodity pool operators, commodity trading advisors or associated persons of the preceding entities. Levin Easterly will continue to monitor regulatory developments, and if its business operations require or no other regulatory exemptions are available, Levin Easterly will register with the CFTC.

Levin Capital Services

In connection with the Transaction, Levin Easterly and Levin Capital will enter into a services agreement pursuant to which Levin Easterly will provide services to Levin Capital and support its back office and business operations. These services will include, among other things, services of certain employees of Levin Easterly, access to research, office space and operational support. Levin Easterly will be reimbursed by Levin Capital for the costs to provide such services. In addition, Levin Easterly has adopted policies and procedures designed to ensure that the provision of such services to Levin Capital does not conflict with Levin Easterly's duties to Client accounts.

ITEM 11
CODE OF ETHICS, PARTICIPATION OR INTEREST
IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Investment Activities of Levin Easterly and its Personnel

Levin Easterly, its member, and employees may from time to time make personal investments in securities or instruments in which Levin Easterly may also invest the Managed Accounts' assets. Subject to Levin Easterly's Code of Ethics, its personnel may buy, sell, or hold securities or other instruments for its own or their own accounts while entering into different investment decisions for one or more Managed Accounts. Personnel and their immediate family members who derive financial support from such personnel, will be generally required to maintain their personal brokerage accounts (other than mutual funds, etc.) with a single financial institution for Levin Easterly compliance monitoring purposes, with certain exceptions, including (i) accounts managed by third-parties where employees do not have the ability to influence investment decisions, (ii) where a spouse of a Levin Easterly employee is employed at another broker-dealer and (iii) purchases, sales and maintenance of open-ended mutual funds, U.S. Treasury obligations, Exchange Traded Funds, certificates of deposit or municipal securities. To the extent that Levin Easterly manages accounts that are held at the same financial institution that employees are required to use for personal brokerage accounts, Levin Easterly will arrange for brokerage services provided to Clients to be provided on the same terms and conditions as for employee personal brokerage accounts. It is expected that, if such investments are made, the size and nature of these investments will change over time. Neither Levin Easterly nor its personnel are required to keep any minimum investment in any of any Sub-Advised Funds.

Code of Ethics and Statement on Personal Trading

From time to time, various potential and actual conflicts of interest may arise from the overall advisory, investment and other activities of Levin Easterly, its affiliates, and personnel (each, including Levin Easterly, an "Advisory Affiliate"). Levin Easterly has established policies and procedures to monitor and resolve conflicts and will endeavor to resolve conflicts with respect to investment opportunities in a manner it deems equitable to the extent possible under the prevailing facts and circumstances. The Advisory Affiliates may invest on behalf of themselves in securities and other instruments that would be appropriate for, held by, or may fall within the investment guidelines of Managed Accounts. The Advisory Affiliates may give advice or take action for their own accounts that may differ from, conflict with or be adverse to the advice given or action taken by Managed Accounts. These activities may adversely affect the prices and availability of other securities or instruments held by or potentially considered for one or more Managed Accounts.

Levin Easterly strives to adhere to the highest industry standards of conduct based on principles of professionalism, integrity, honesty, and trust. In seeking to meet these standards, Levin Easterly has adopted a Statement on Personal Trading and a Code of Ethics (collectively, the "Code"). The Code incorporates the following general principles that all employees are expected to uphold: employees must at all times place the interests of Client first; all personal securities transactions must be conducted in a manner consistent with the Code. Levin Easterly seeks to identify and mitigate any conflicts of interest, and employees are strictly prohibited from abusing their position of trust and confidence. Employees must not take any inappropriate advantage of their positions, and information concerning the identity of securities and financial circumstances of the Client must be kept confidential (unless otherwise permitted); and independence in the investment decision making process must be maintained at all times.

Clients and investors in a Client may request a copy of the Code by contacting Easterly Acquisition II LLC, Attn: Compliance Department, 595 Madison Avenue, 17th Floor, New York, NY 10022.

Levin Easterly also maintains Insider Trading policies and procedures (the “Insider Trading Policies”) that are designed to prevent the misuse of material, non-public information. Levin Easterly’s employees are required to certify their compliance with the Code and the Insider Trading Policies, on a periodic basis.

Levin Easterly has established policies and procedures to monitor and resolve conflicts concerning investment opportunities in a manner it deems fair and equitable, including the restrictions placed on personal trading in the Code, as described above.

The Advisory Affiliates may also have ongoing relationships with companies whose securities are in or are being considered for Managed Accounts. From time to time, Levin Easterly may acquire securities or other financial instruments of an issuer for a Managed Account which are senior or junior to securities or financial instruments of the same issuer that are held by, or acquired for, another Managed Account (*e.g.*, one Managed Account may acquire senior debt while another Managed Account may acquire subordinated debt). Levin Easterly recognizes that conflicts may arise under such circumstances and has adopted policies and procedures reasonably designed to identify and mitigate such conflicts.

Cross Trades and Principal Transactions

Levin Easterly and its personnel will not purchase or sell any securities for their own accounts to or from Managed Accounts. However, under unusual circumstances, Levin Easterly may determine that it is in the best interest of the Managed Accounts to effect securities trades through crosses and/or internal crosses between or among the Managed Accounts, subject to each Managed Account’s investment guidelines and restrictions. This could occur, for example, in connection with a rebalancing transaction. In such cases, one Managed Account will purchase securities held by another Managed Account. If Levin Easterly decides to engage in a cross trade, Levin Easterly will determine that the trade is in the best interests of each Client involved in it and take steps to ensure that the transaction is consistent with the duty to obtain best execution for each of those Client.

Levin Easterly generally will not execute cross trades; *however*, if it does so, it will generally do so with Client approval and with the assistance of a broker-dealer who executes and books the transaction at the close of the market on the day of the transaction. Alternatively, a cross trade between two Clients may occur as an “internal cross,” where Levin Easterly instructs the custodian for the Client to book the transaction at a price determined in accordance with Levin Easterly’s valuation policy. If Levin Easterly effects an internal cross, Levin Easterly will not receive any fee in connection with the completion of the transaction.

Levin Easterly would effectuate these transactions based on the then current market price and consistent with valuation and other procedures established by Levin Easterly. Neither Levin Easterly nor any related party will receive any compensation in connection with these cross-trading transactions.

ITEM 12 BROKERAGE PRACTICES

As noted previously, Levin Easterly expects that it will usually have full discretionary authority to manage the Managed Accounts, including authority to make decisions with respect to which securities are bought and sold with and without prior consultation with the Client, the amount and price of those securities, the brokers or dealers to be used for a particular transaction, and commissions or markups and markdowns paid. Levin Easterly's authority will be limited by its own internal policies and procedures and each Managed Account's investment management agreement/guidelines. Levin Easterly will have no discretionary authority or control over security transactions, if any, for any Model Portfolio. Therefore, Levin Easterly will not execute any transactions for the Model Portfolios, and the financial intermediary will be under no obligation to follow Levin Easterly's recommendations.

Levin Easterly will place its Managed Accounts in one of two trading groups based upon where a Client's assets are held or where the Client has directed that their securities transactions be executed (each individually, a "Levin Easterly Trading Group" and collectively, the "Levin Easterly Trading Groups"). One of the Levin Easterly Trading Groups consists of Managed Accounts settled on a delivery versus payment ("DVP") basis. The second Levin Easterly Trading Group will consist of a group of Managed Accounts for which Clients have directed that their securities transactions be executed at a specific broker-dealer (the "Directed Brokerage Group"). There is no assurance that Levin Easterly can accommodate any Managed Accounts' directed brokerage request(s). However, Levin Easterly shall make a good faith attempt to determine if such an arrangement is possible.

To minimize conflicts of interest among the Levin Easterly Trading Groups and to help avoid potentially volatile price movements caused by the entering of Client orders into the market simultaneously, Levin Easterly will maintain a daily trading rotation whereby generally, its orders are executed sequentially for each Levin Easterly Trading Group and each Managed Account where available trading the same security receives the same prices by means of the aggregation of orders utilizing an average price account *except* for certain Directed Brokerage accounts. An expected recognized by-product of Levin Easterly's rotational process is that Clients across trading groups likely will receive different prices for their orders based on the time (and date, in cases where an order continues beyond a single trading day) that such orders are executed or an order may never be executed because of price sensitivity or lack of liquidity. Nevertheless, it is Levin Easterly's good faith and reasonable determination that over time no one Levin Easterly Trading Group (and Client within each Levin Easterly Trading Group) is regularly advantaged or disadvantaged by its rational approach to trade order rotation.

Levin Easterly generally will not be able to aggregate orders across all accounts in all circumstances because certain advisory accounts will be held with a specified broker-dealer as, for example, in the case of a Directed Brokerage Group or a Client has directed their commissions to specific broker-dealers. Generally, advisory Clients choose their custodian, bank, trust company, or brokerage firm where the Client assets will be held provided that Levin Easterly is able to operationally perform investment advisory services. Clients are not obligated to maintain a brokerage account with any broker-dealer nor obligated to purchase any investment products affiliated with Levin Easterly.

Certain Clients with Managed Accounts may request or require Levin Easterly to use a specified broker-dealer to execute the Managed Account's securities transactions and may have made separate arrangements with such broker-dealers regarding the commissions to be paid with respect to such transactions. These Clients are sometimes referred to collectively in this Brochure as "Directed Brokerage Accounts" and individually as a "Directed Brokerage Account." As noted in Item 4 *Advisory Business* of this Brochure, Levin Easterly will manage the accounts of certain family members, employees, affiliates and affiliates of family members of Levin Easterly personnel, except that Levin Easterly affiliated Client Accounts (accounts of family members, employees, affiliates and affiliates of family members of Levin Easterly personnel) are traded separately from other Client Accounts and always executed last. .

For Directed Brokerage Accounts, where Levin Easterly will *not* have the discretion to select broker-dealers:

- Levin Easterly will not negotiate commission rates. Rather, the commission rates will be as negotiated by the Client with the broker-dealer, and this will not change as a result of Levin Easterly serving as an investment adviser. Levin Easterly will attempt to help minimize brokerage transaction costs, and the use of a directed broker request may result in transactions occurring at different times with different prices;
- Levin Easterly will not be responsible for obtaining competitive bids on directed trades done on a net basis; and
- Levin Easterly may be unable to obtain a more favorable price based on transaction volume on transactions that cannot be aggregated with transactions of its other advisory Clients.

Portfolio transactions for each Client where Levin Easterly will have the discretion to select broker-dealers for execution of orders (which excludes the Directed Brokerage Group), will be allocated to non-affiliated brokers-dealers on the basis of numerous factors and not necessarily lowest pricing. Brokers and dealers may provide other services that are beneficial to Levin Easterly and/or certain Clients, but not beneficial to all Clients. In selecting an appropriate broker-dealer to effect a Client trade, Levin Easterly will seek to obtain best execution, taking into consideration the price of a security offered by the broker-dealer, as well as a broker-dealer's full range and quality of their services including, among other things, their facilities, reliability and financial responsibility, execution capability, commission rates, responsiveness to Levin Easterly, brokerage and research services provided to Levin Easterly (*e.g.*, research ideas, analysis, and investment strategies), special execution and block positioning capabilities, clearance and settlement, and potentially custodial services.

Accordingly, the commission rates (or dealer markups and markdowns) charged to Managed Accounts by brokers or dealers in the foregoing circumstances may be higher than those charged by other brokers or dealers who may not offer such services. Levin Easterly does not deem it practicable and in the best interest of its Clients to solicit competitive bids or commission rates on each transaction. However, consideration will be given regularly to information concerning the prevailing level of commissions charged on comparable transactions by other qualified brokers and dealers. Generally, Levin Easterly will not separately compensate any broker or dealer for any of these other services.

If Levin Easterly decides, based on the factors set forth above, to execute OTC transactions on an agency basis through Electronic Communications Networks ("ECNs") or "Dark Pools," it will also consider the following factors when choosing to use one ECN over another: the ease of use, the flexibility of the ECN compared to other ECNs and the level of care and attention that will be given to smaller orders. Levin Easterly maintains policies and procedures to review the quality of executions, including periodic reviews by its investment professionals.

Levin Easterly will not submit or execute any Client related portfolio transaction with Easterly Securities, its affiliated broker-dealer, as Easterly Securities is not a clearing broker-dealer. Levin Easterly does not believe this will impact its ability to achieve best execution for portfolio related transactions.

All Levin Easterly employees and other individuals deemed to be access persons by Levin Easterly ("Levin Easterly Access Persons") will be required (with certain limited exceptions as set forth in the first paragraph under Item 11) to maintain their own and related brokerage accounts with Fidelity, including any account over which a Levin Easterly Access Person has a direct or indirect economic interest or the ability to trade any account, as well as any account of any individual who lives with a Levin Easterly Access Person or who receives substantial economic support from such person. This requirement is based

on the goal of preventing conflicts of interest between Levin Easterly Access Persons and Clients and the corollary good faith determination by Levin Easterly senior management that closer, more direct and robust monitoring of Levin Easterly Access Persons from a compliance perspective is achieved when such individuals' brokerage accounts are maintained at Fidelity. In consideration of the fact that such Levin Easterly Access Persons: (i) will make their own personal trading decisions and, generally, will not receive the benefit of the Levin Easterly's investment advice received by Levin Easterly's other Clients; and (ii) will suffer the loss of convenience and brokerage relationships they might previously have had at other broker-dealers, Fidelity charges Levin Easterly Access Persons the same commissions for their personal trades as Managed Accounts with accounts at Fidelity. Any reduced commission that may occur from Fidelity's commission schedule is solely at Fidelity's discretion.

Soft Dollar Usage and Commission Sharing Arrangements

From time to time, Clients may incur broker-dealer commissions (or markups or markdowns with respect to certain types of riskless principal transaction) when Levin Easterly effects security transactions for their Managed Accounts in excess of that which another broker-dealer might have charged for effecting the transaction in recognition of the value of the brokerage and research services provided by the broker-dealer. Levin Easterly will effect such transactions, and receive such brokerage and research services, only to the extent that they fall within the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and subject to prevailing guidance provided by the SEC regarding Section 28(e) of the Exchange Act. Levin Easterly believes it is important to its investment decision-making processes to have access to independent research.

Generally, research services provided by broker-dealers may include information on the economy, industries, groups of securities, individual companies, statistical information, accounting and tax law interpretations, political developments, legal developments affecting portfolio securities, technical market action, pricing and appraisal services, credit analysis, risk measurement analysis, performance analysis, and analysis of corporate responsibility issues. Such research services are received primarily in the form of written reports, telephone contacts, and personal meetings with security analysts. In addition, such research services may be provided in the form of access to various computer-generated data, computer software, and meetings arranged with corporate and industry spokespersons, economists, academicians, and government representatives. In some cases, research services are generated by third parties but are provided to Levin Easterly by or through broker-dealers.

Also, consistent with Section 28(e) of the Exchange Act, research products or services obtained with "soft dollars" or commission sharing arrangements (herein used interchangeably) generated by one or more Managed Accounts may be used by Levin Easterly to service one or more other Managed Accounts, including Clients that may not have paid for the soft dollar benefits. Levin Easterly will not seek to allocate soft dollar benefits to Client accounts in proportion to the soft dollar credits the Client accounts generate. Where a product or service obtained with soft dollars provides both research and non-research assistance to Levin Easterly (e.g., a "mixed use" item), Levin Easterly will make a good faith allocation of the cost that may be paid for with soft dollars. In making good faith allocations of costs between administrative benefits and research and brokerage services, a conflict of interest may exist by reason of Levin Easterly's allocation of the costs of such benefits and services between those that primarily benefit Levin Easterly and those that primarily benefit the Managed Accounts.

Levin Capital and its clients will also benefit from certain services obtained by Levin Easterly with soft dollars pursuant to the services agreement discussed in Item 10 *Other Financial Industry Activities and Affiliations – Levin Capital Services*, but any benefits obtained by Levin Easterly or Levin Capital using soft dollar services will be borne based on a fair and equitable allocation.

When Levin Easterly uses Client brokerage commissions (or markups or markdowns) to obtain research or other products or services, Levin Easterly will receive a benefit because it does not have to produce or

pay for such products or services. Levin Easterly may have an incentive to select or recommend a broker-dealer based on Levin Easterly's interest in receiving research or other products or services, rather than on its Client's interest in receiving most favorable execution.

Levin Easterly or its related persons may acquire the following types of products and services with Client brokerage commissions (or markups or markdowns): information on the economy, industries, groups of securities, legal developments affecting portfolio securities, political developments or individual companies; statistical information; accounting, regulatory and tax law interpretations; pricing services; credit analysis risk measurement analysis; performance analysis; and analysis of corporate responsibility issues. Such research services are received primarily in the form of written reports, telephone contacts, and personal meetings with security analysts. In addition, such research services may be provided in the form of access to various computer-generated data, computer hardware and software, and meetings arranged with corporate and industry spokespersons, economists, academics, and government representatives. In some cases, research services will be generated by third parties but are provided to Levin Easterly by or through broker-dealers.

At least annually, Levin Easterly will consider the amount and nature of the research and research services provided by broker-dealers, as well as the extent to which such services are relied upon, and attempts to allocate a portion of the brokerage business of its Client on the basis of that consideration. Broker-dealers sometimes suggest a level of business they would like to receive in return for the various products and services they provide. Actual brokerage business received by any broker-dealer may be less than the suggested allocation, but can (and often does) exceed the suggested level because total brokerage is allocated on the basis of all of the considerations described above. In no case will Levin Easterly make binding commitments as to the level of brokerage commissions it will allocate to a broker-dealer, nor will it commit to paying cash if any informal targets are not met. A broker-dealer is not excluded from receiving business because it has not been identified as providing research products or services.

Trade Allocation and Aggregation Policies and Procedures

Trade Allocation Policies and Procedures

Levin Easterly may give advice or take action with respect to the investments of one or more Managed Accounts that may not be given or taken with respect to other Managed Accounts with similar investment programs, objectives, and strategies. Accordingly, Managed Accounts with similar strategies may not hold the same securities or instruments or achieve the same performance. Levin Easterly also may advise Managed Accounts with conflicting programs, objectives or strategies. These activities also may adversely affect the prices and availability of other securities or instruments held by or potentially considered for one or more Managed Accounts. Finally, Levin Easterly and its personnel may have conflicts in allocating their time and services among the Managed Accounts. Levin Easterly will devote as much time to each Managed Account as Levin Easterly deems appropriate to perform its duties in accordance with its management agreements.

Certain Clients may have investment programs that are similar to or overlap and may, therefore, participate with each other in investments. It is the policy of Levin Easterly to allocate investment opportunities for the Managed Accounts fairly and equitably, to the extent possible, over a period of time. Levin Easterly, however, will have no obligation to purchase, sell or exchange any security or financial instrument for a Managed Account that Levin Easterly may purchase, sell or exchange for another Managed Account if Levin Easterly believes in good faith at the time the investment decision is made that such transaction or investment would be unsuitable, impractical or undesirable for a particular Managed Account.

Levin Easterly generally will make investment decisions among Managed Accounts depending on the particular investment strategy pursued by each Managed Account. Allocations among Managed Accounts

within a particular strategy are then made generally on a pro rata basis in proportion to the relative value of each Managed Account's eligible net assets, or on a pro rata basis in proportion to the actual position size held by each Managed Account. However, Levin Easterly may take into consideration a number of additional factors, including, among others, the nature and size of the proportion of a securities issue likely to be available to Levin Easterly or the nature and size of the proposed transaction; the investment objectives and/or investment strategy, tax consequences (if applicable), risk tolerances, time horizons and restrictions and guidelines of the Managed Accounts; the eligibility to invest in initial public offerings; the relative size and cash availability of the applicable strategy within a Managed Account; in limited circumstances, the ability to borrow and the cost of borrowed funds; legal restrictions, including those that may arise in foreign jurisdictions; the liquidity of the investment relative to the need of each Managed Account; the degree of specialization of a Managed Account relative to the investment offered; the relative historical participation of a Managed Account in the investment; the difficulty of liquidating an investment for more than one Client; the possibility that an allocation may result in a small or odd lot; new Client with a substantial amount of investable cash; and other factors that may be considered relevant.

Levin Easterly will act as the investment adviser to Model Portfolios where Levin Easterly will not exercise trading discretion. Investment opportunities considered by Levin Easterly to be appropriate for certain of the Separately Managed Accounts following similar investment strategies will generally over time be equitably allocated based on considerations such as relative capital, specific investment guidelines, the composition of the portfolios at the time of purchase and tax considerations. This may result in the Model Portfolios receiving an investment recommendation either at or about the same time as other accounts or afterward depending upon and subject to the model portfolio investment restrictions. Model Portfolios will not be subject to the Levin Easterly trade rotation program as Levin Easterly will not execute any specific investment recommendation and there is no assurance the model portfolio investment recommendations will be implemented or that they will ultimately receive a purchase or sale price similar to other Managed Accounts.

Levin Easterly may combine purchase or sale orders with orders for other Managed Accounts and allocate the securities or other assets so purchased or sold, on an average price basis, among such accounts. Levin Easterly may enter into arrangements with broker-dealers to open such "average price" accounts wherein orders placed during a trading day are placed on behalf of the Managed Accounts and are allocated among such accounts using an average price.

Generally, Managed Accounts are traded together in a daily pre-determined trading rotation within a relevant or same investment strategy group, and investment decisions are made for that group following a similar or same investment strategy. However, because certain Client accounts such as the Directed Brokerage Accounts are directed or required to be held with a specified broker-dealer, Levin Easterly will not be able to aggregate orders for those accounts with orders for other Levin Easterly Trading Groups. Moreover, Levin Easterly will periodically review its trades for best execution. Levin Easterly's trading desk will follow protocol and procedures to ensure that all Managed Accounts are treated fairly over time.

Aggregation Policies and Procedures

If Levin Easterly determines that the purchase or sale of the same security is in the best interest of more than one Managed Account (including Separately Managed Accounts in which Levin Easterly personnel have a direct or indirect ownership interest), Levin Easterly may, but will not be obligated to, aggregate orders to reduce transaction costs to the extent permitted by applicable law.

As noted above, because certain Managed Accounts will be held with a specified broker-dealer, including accounts in which Levin Easterly personnel have a direct or indirect ownership interest, and certain Managed Accounts may direct Levin Easterly to execute their securities transactions through a specified broker-dealer, Levin Easterly generally will not be able to aggregate orders across all accounts in all

circumstances. To address this situation, Levin Easterly typically will treat its Managed Accounts as falling within separate trading groups depending on where their accounts are held and generally aggregates appropriate trades across accounts within each trading group.

In addition, to avoid placing competing trades for each separate trading group in the market simultaneously, Levin Easterly generally will place orders for different trading groups using a daily rotational method but may deviate from this approach where Levin Easterly believes that this approach will result in fundamental unfairness to Managed Accounts. This approach will result where trades in the same security for Managed Accounts in one separate trading group (including Managed Accounts in which Levin Easterly personnel have a direct or indirect ownership) receive priority with respect to a purchase or sale of a particular security and also receive a different price, which may, and in some cases, be more favorable than the price received by Managed Accounts in another trading group. Levin Easterly intends to monitor its trading rotation to determine that no Separately Managed Accounts are systematically disadvantaged by this approach to trade order priority. Levin Easterly may, depending upon market conditions, time of day, and difficulty/complexity of compiling investment advisory orders go out of its scheduled daily trading rotation if in the opinion of Levin Easterly the circumstances warrant such action to obtain best execution, take advantage of news announcements, or prevent potential harm to other investment advisory Clients.

When an aggregated order is filled through multiple trades at different prices on the same day, each participating Managed Account within a particular trading group generally will receive the average price with transaction costs allocated pro rata based on the size of each Managed Account's participation in the order (or allocation in the event of a partial fill) as determined by Levin Easterly. In the event of a partial fill, allocations generally will be made pro rata based on the initial order, but may be modified on the basis that Levin Easterly deems to be appropriate, including, for example, in order to avoid odd lot positions, *de minimis* allocations, or accounts subject to minimum ticket charges, Levin Easterly may use a random allocation. Smaller Managed Account(s) or accounts with small portfolio positions may or may not participate with other accounts where Levin Easterly deems the transactional costs prohibitive. This may result in either higher or lower portfolio returns than other Managed Accounts with similar investment objectives.

When orders are not aggregated, trades generally will be processed in the order that they are placed with the broker or counterparty selected by Levin Easterly. As a result, certain trades in the same security for one Client (including a Client in which Levin Easterly and its personnel may have a direct or indirect interest) may receive more or less favorable prices or terms than another Client, and orders placed later may not be filled entirely or at all, based on the prevailing market prices at the time of the order or trade. The use of derivative instruments for certain managed accounts may result in different effective net price(s) from other accounts.

In addition, some opportunities for reduced transaction costs and economies of scale may not be achieved.

Trade Errors

Levin Easterly may on occasion experience errors with respect to trades executed on behalf of its Client. Trade errors can result from a variety of situations, including, for example, when the wrong security is purchased or sold, or for the wrong account, or the wrong quantity is purchased or sold (*e.g.*, 1,000 shares instead of 10,000 shares are traded). Trade errors may result in losses or gains. Levin Easterly will endeavor to detect trade errors prior to settlement and correct and/or mitigate them in an expeditious manner. To the extent an error is caused by counterparty, such as by a broker-dealer, Levin Easterly will strive to recover any losses associated with such error from the counterparty but is not responsible for such error. To the extent that Levin Easterly determines that it is responsible for a trade error, Levin Easterly intends to bear the loss caused by such trade errors, but may on a case-by-case basis and subject to Client disclosure and consent not to credit the Managed Account for gains resulting from a trade error. Levin Easterly may not be responsible for errors that arise in the investment management process,

including those that do not result in transactions in a Managed Account (such as transactions that result in loss of an investment opportunity) and clerical mistakes not resulting in transactions in Client accounts.

ITEM 13 REVIEW OF ACCOUNTS

Levin Easterly will perform various daily, weekly, monthly, quarterly and other periodic reviews of each Client's portfolio. Such reviews will be conducted by the members of Levin Easterly's management committee, portfolio managers, research associates and senior operations staff. A review of a Managed Account may be triggered by any unusual activity or various other circumstances.

Levin Easterly may provide certain investors with information on a more frequent and detailed basis if agreed to by Levin Easterly. Each beneficial owner and interested parties upon the Client's authorization with respect to its Managed Account typically receive a quarterly commentary letter from Levin Easterly, as well as monthly or quarterly account statements directly from their respective broker-dealer or custodian.

In addition, Levin Easterly's personnel may participate in periodic portfolio reviews with Clients at Levin Easterly's discretion, which will be attended by the appropriate members of Levin Easterly's investment staff.

ITEM 14
CLIENT REFERRALS AND OTHER COMPENSATION

Levin Easterly and its affiliates may from time to time utilize third-party placement agents that receive compensation, which may be borne by Levin Easterly, including through sharing a portion of the fees and allocations (set forth in Item 5 above), for referring investors to Levin Easterly. Levin Easterly may enter into various arrangements pursuant to which unaffiliated third parties may be compensated for referring Clients to Levin Easterly. Compensation is typically a percentage of Levin Easterly's advisory fees (including incentive allocation/fees, if any) received from the referred Clients. Levin Easterly will assume Levin's engagement with Easterly Securities LLC, an affiliate of Easterly, Dakota Funds Group, LLC and Herald Investment Marketing, LLC (collectively "Easterly Securities") to solicit and market Levin Easterly investment strategies and products to potential Clients. Easterly Securities will receive fees from Levin Easterly for Client referrals who become Levin Easterly Clients. Clients do not bear the placement fees charged for Client introductions or referrals.

In addition, Levin Easterly may from time to time maintain incentive compensation arrangements with certain of its employees in connection with referrals of Managed Accounts, which may be deemed to constitute indirect compensation in this regard. All such referrals shall conform to Rule 206(4)-3 under the Advisers Act.

ITEM 15
CUSTODY

With respect to certain Managed Accounts, Levin Easterly will be deemed to have custody of certain Client funds and securities because it has the authority to deduct advisory fees from a Client's account. Account statements related to these Clients are sent directly by the qualified custodians to the Client. Accordingly, Levin Easterly will be subject to Rule 206(4)-2 under the Advisers Act.

ITEM 16

INVESTMENT DISCRETION

Levin Easterly will also serve as discretionary investment adviser to a Client or Clients who open Separately Managed Accounts with full power and authority to supervise and make investment decisions on behalf of such Managed Accounts without prior consultation with the Client. Levin Easterly will have the ability to determine the amount of securities to be purchased or sold, broker or dealer to be used unless (i) directed otherwise by the Client, and the commission rate paid for those accounts that settle transactions on a DVP/RVP basis or (ii) an account is directed by a Client and a commission rate and other fees, if applicable, have been negotiated by the Client. Clients may impose, in Levin Easterly's opinion, any reasonable guideline or restriction on Levin Easterly's ability to invest on their behalf without materially impacting its ability to invest on the Managed Accounts' behalf.

For sub-advisory SEC-registered investment companies, Levin Easterly will adhere to the investment restrictions as stated in the Funds' prospectus, Statement of Additional information, Investment Company Act of 1940, applicable Internal Revenue Service rules regarding investment companies, and any reasonable investment restriction imposed by the fund's primary investment advisor. This restriction may include types of securities to be purchased or sold, holdings in specific industries or issuers (individual position, maximum percent holdings, etc.), various tax considerations, broker-dealers that can be used for DVP institutional Client, and the limitation of soft dollar usage.

Similarly, Levin Easterly's investment decisions and advice with respect to each Client are subject to each Managed Account's investment objectives and guidelines, as set forth in the Client's investment management agreement or a Sub-Advised Fund's prospectus, as well as any written instructions provided by the Client to Levin Easterly.

Levin Easterly or an affiliate of Levin Easterly will enter into an investment management agreement, or similar agreement, with each Separately Managed Account, pursuant to which Levin Easterly or Levin Easterly affiliated entity, was granted discretionary trading authority.

Levin Easterly will also manage Model Portfolios of securities for other registered investment advisers. Levin Easterly will not execute any security transactions for any Model Portfolios, nor will Levin Easterly be aware of when actual transactions occur, if at all.

ITEM 17 VOTING CLIENT SECURITIES

Levin Easterly will, if authorized by the Client, vote proxies on their behalf. Levin Easterly will be responsible for voting such shares of Client's discretionary securities under management. However, in certain cases, in accordance with the agreement governing the account, the Client may expressly retain the authority to vote proxies or instruct Levin Easterly how to vote any given proxy. Such Client should receive their proxies or other shareholder notifications and solicitations directly from their custodian. Please note that in such cases, the proxy voting policies and procedures described below would not apply.

The SEC adopted Rule 206(4)-6 under the Advisers Act, which requires registered investment advisers that exercise voting authority over Client securities to implement proxy voting policies. In compliance with such rules, Levin Easterly will adopt proxy voting policies and procedures (the "Policies"). The general policy will be to vote proxy proposals, amendments, consents or resolutions relating to Client securities, including interests in private investment funds, if any (collectively, "proxies"), in a manner that serves the best interests of the Managed Accounts, as determined by Levin Easterly in its discretion. Levin Easterly believes this will alleviate potential conflicts of interests that may exist between Levin Easterly and the Client with respect to proxy voting. Generally, Levin Easterly will utilize the proxy voting guidelines set forth by Glass Lewis, Inc. ("GL") with respect to a wide range of matters. These guidelines address a range of issues, including corporate governance, executive compensation, capital structure proposals and social responsibility issues and are meant to be general voting parameters on issues that arise most frequently. If Levin Easterly determines that it may have, or is perceived to have, a conflict of interest when voting proxies, Levin Easterly will vote in accordance with the Policies. Levin Easterly may vote certain proxies on a case by case basis contrary to GL proxy voting guidelines if Levin Easterly believes that such vote would be in the best interest of the Client. If such action is undertaken by Levin Easterly, it will usually vote with management's recommendation. If GL does not have a recommendation or if Levin Easterly is not able to obtain a voting recommendation from GL for any reason, Levin Easterly will vote in favor of management's recommendation provided that there are no material conflicts of interests present. If management or GL has no recommendation, Levin Easterly may vote the Client's shares where Levin Easterly believes would best reflect management's ability to enhance shareholder value. This may result in Levin Easterly voting what may be perceived in management's favor. In limited circumstances and for non-United States proxy issuers, Levin Easterly may refrain from voting proxies where Levin Easterly believes that voting would be inappropriate taking into consideration the cost of voting the proxy, applicable proxy voting share-blocking requirements, disclosure of the Client's non-public information, and the anticipated benefit, potential costs or lost trading opportunity to the Clients.

Levin Easterly shall maintain required records relating to votes cast, Client requests for information and Levin Easterly's proxy voting policies and procedures in accordance with applicable law.

A copy of Levin Easterly voting policies and the proxy voting records relating to a Client may be obtained by the Client by contacting Levin Easterly at 595 Madison Avenue, 17th Floor, New York, NY 10022 or by calling Levin Easterly at (646) 712-8300.

ITEM 18
FINANCIAL INFORMATION

Easterly is not required to include a balance sheet for its most recent fiscal year, is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to Clients, and has not been the subject of a bankruptcy petition at any time since inception.