

Parametric Risk Advisors LLC

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This brochure provides information about the qualifications and business practices of Parametric Risk Advisors LLC (“PRA”). If you have any questions about the contents of this brochure, please contact PRA at 203-227-1700. 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.

PRA is a registered investment adviser under the Investment Advisers Act of 1940 (the “Advisers Act”). Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an adviser.

Additional information about PRA is also available on the SEC’s website at www.adviserinfo.sec.gov. The SEC’s website also provides information about any persons affiliated with Parametric who are registered as investment adviser representatives of PRA.

This brochure dated January 25, 2015, is an annually amended document prepared by Parametric Risk Advisors, LLC (“PRA”) according to the SEC’s General Instructions for Part 2 of Form ADV and summarizes the following material changes from the brochure dated January 29, 2014.

Item 2 – Material Changes

Item 4

- Enhanced the description of PRA’s advisory business. Removed content that was duplicative with information presently disclosed in Part 2B.

Item 8

- Defined Options Strategy Risk and identified it as a material risk for each of PRA’s investment strategies. Changed the name of Quantitative Management Risk to Structured Management Risk, the definition of which was not changed.

Item 10

- Enhanced the disclosure regarding affiliate relationships. Removed content regarding wrap fee arrangements that was duplicative with information presently disclosed in Item 12.

Item 11

- Enhanced disclosure regarding PRA’s Code of Ethics. Removed content regarding trade allocation that was duplicative with information presently disclosed in Item 12.

Item 12

- Enhanced disclosure regarding trade allocation practices, trade errors, and client directed brokerage arrangements.

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Item 4 – Advisory Business

Parametric Risk Advisers LLC (“PRA”) is organized as a limited liability company under the laws of the State of Delaware. PRA is located in Westport, CT and has been providing investment advisory services since its formation in 2007. PRA is a wholly-owned subsidiary of Parametric Portfolio Associates LLC (“Parametric”), an SEC-registered investment adviser headquartered in Seattle, WA. PRA’s predecessor, Managed Risk Advisers LLC (“MRA”), an investment adviser formed in 2002, was acquired by Parametric and merged into PRA in 2007. Parametric and PRA are indirect subsidiaries of Eaton Vance Corp. (“EVC”), a publicly held company that is traded on the New York Stock Exchange under the ticker symbol EV.

Investment Advisory Services

PRA offers Investment Advisory Services, defined as providing continuous advice to clients regarding the investment of client funds and or offering discretionary portfolio management. Through personal discussions in which goals and objectives based on a client’s particular circumstances are established, PRA develops a client’s personal investment policy and creates and manages a portfolio based on that policy. PRA will manage advisory accounts on a discretionary and nondiscretionary basis.

PRA utilizes three primary investment strategies:

- **DeltaShift** is a rules-based equity and equity index call option selling program for single stocks and diversified equity portfolios with a goal of reduced volatility and enhanced return.
- **Dynamic Hedged Equity** is a rules-based equity index option program for diversified portfolios in which index put options are purchased and index call options are sold in a systematic manner to provide a hedge to the client’s equity portfolio.
- **Option Absolute Return Strategy (“OARS”)** is a rules-based equity index option spread selling strategy with the goal of generating premium income in a risk-managed fashion.

Investing in securities involves risk of loss that clients should be prepared to bear. There is no guarantee that PRA will achieve its clients’ and/or firm goals.

PRA’s investment strategies involve option purchases and sales for its client, or other suitable strategies that PRA develops with respect to a client’s equity position(s) and stated tolerance of risk. PRA may recommend OTC options, OTC prepaid forward sale agreements, swaps, structured notes, other structured transactions, listed options and FLEX options.

PRA and Parametric jointly formed a GIPS® compliant firm effective December 31, 2013. In doing so, Parametric/PRA were divided into two segments: Parametric Investment & Overlay Strategies and Parametric Custom Tax-Managed & Centralized Portfolio Management. For compliance with GIPS®, the firm is defined and held out to the public as “Parametric Investment & Overlay Strategies”. Parametric Investment & Overlay Strategies provides global rules-based investment management services to institutional investors, individual clients and registered investment vehicles. Included in this segment are the Systematic Alpha Strategies, Specialty Index, and Policy Implementation Overlay Services. The Parametric Custom Tax-Managed & Centralized Portfolio Management segment provides global rules-based investment management services to individuals and institutional clients. These strategies are separately managed, highly subjective, customized, non-discretionary and do not participate in the GIPS® defined firm.

As of December 31, 2014, PRA managed discretionary client assets of approximately \$3.588 billion. PRA does not manage any client assets on a non-discretionary basis.

Item 5 – Fees and Compensation

Fee Schedule

As of February 1, 2011, the fee for Investment Supervisory Services is charged on a fixed basis and/or as a percentage of assets under management, according to one or more of the schedules provided below.

- Clients or PRA may terminate a contract for any reason. Normally, clients may cancel PRA’s services upon 30 days written notice. During the 30-day period, PRA’s ordinary fees are earned and payable. Parametric may terminate an investment advisory contract by giving 30 days' prior written notice to the client. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.
- An annual fee, generally between 0.25% and 1.00% of assets under management, will be charged depending on the nature and complexity of each client’s investment needs. This asset-based fee covers the following type of services: implementation of an investment strategy, including efforts that are directed to the placing of the underlying transactions; monitoring of the client’s positions and accounts; and discretionary portfolio management.

- A fixed monthly fee, generally \$5,000, may be applied to each account. This fixed fee covers general consulting and advisory work for PRA's clients. This fee covers the following type of services: development of a recommended investment strategy; structuring of the underlying transactions; and selection of an appropriate bank or broker-dealer counterparty; or,
- Under certain agreements, fees may be applied in advance of services rendered but only for periods of less than six months. Upon termination, prepaid management fees, if any, will be refunded to the client on a pro-rata basis. PRA will notify clients of any material financial conditions that may likely impair the firm's ability to meet contractual commitments to clients who have pre-paid for services.

Most clients will be invoiced in arrears of each calendar month or quarter based upon the value (market value or fair market value in the absence of market value, plus any credit balance or minus any debit balance), of the client's account at the end of the previous quarter. The specific manner in which fees are charged by PRA is established in the client's written agreement with PRA.

In addition to asset-based investment advisory fees and fees based on a percentage of portfolio income, PRA agrees to provide investment advisory services to be compensated in part on a comparative performance or incentive basis. Any applicable performance or incentive fee arrangement will comply with the requirements of Section 205 and Rule 205-3 of the Investment Advisors Act of 1940, as amended.

A minimum of \$5 million of assets under management is generally required for these Investment Advisory Services. This account size may be negotiable under certain circumstances. PRA may group certain related client accounts for purposes of achieving the minimum account size and determining the annualized fee. PRA will quote an exact asset-based fee percentage to each client based on both the nature and total dollar value of that account.

Negotiability of Advisory Fees and Minimum Requirements: In certain circumstances, all fees and account minimums are negotiable.

Fee Calculation: The fee charged is calculated as described above and is not charged on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an advisory client.

Termination of Advisory Relationship: A client agreement may be canceled by either party for any reason upon receipt of thirty days' written notice. Upon termination of an account any earned, unpaid fees will be due and payable.

Advisory Fees in General: Clients should note that similar advisory services may (or may not) be available from other registered investment advisers for similar or lower fees, and not all services may be appropriate or available to all clients

PRA's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by other managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to PRA's fee, and PRA shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that PRA considers in selecting or recommending broker-dealers for *client* transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

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

In specific instances, PRA has entered into performance fee arrangements with qualified clients. Such fees are subject to individualized negotiation with each such client. PRA will structure any performance or incentive fee arrangement subject to Section 205 of the Advisers Act. In measuring clients' assets for the calculation of performance-based fees, PRA shall include realized and unrealized capital gains and losses. Performance based fee arrangements may create an incentive for PRA to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. PRA has procedures designed and implemented to ensure that all clients are treated fairly and equally, and to prevent this conflict from influencing the allocation of investment opportunities among clients.

Side-by-Side Management:

In some instances, PRA manages private and/or registered commingled funds (collectively the "funds") and separately managed accounts ("SMAs") in the same or similar strategies. This may give rise to potential conflicts of interest if the funds and SMAs have, among other things, different objectives, benchmarks or fees (*i.e.* performance fees). For example, potential conflicts may arise in the following examples:

- The portfolio manager must allocate time and investment ideas across funds and SMAs;
- Funds' or SMAs' orders are not fully executed on the same day;
- Trades may get executed for an SMA that may adversely impact the value of securities held by a fund;
- SMAs or funds may receive an allocation of an investment opportunity when other SMAs, for various reasons, including but not limited to cash flow availability, do not; and/or
- Trading and securities selected for a particular fund or SMA may cause differences in the performance of different SMAs or funds that have similar strategies.

PRA has adopted trade allocation procedures and monitors such transactions to help ensure PRA does not favor funds or SMAs over each other, as well as to help ensure fair and equitable treatment of the funds and SMAs. During periods of unusual market conditions, PRA may deviate from its stated trade allocation practices. There can be no assurance, however, that all conflicts have been identified or addressed for all situations.

Item 7 – Types of Clients

PRA may provide portfolio management services to high-net worth individuals, corporations, corporate pension and profit-sharing plans, Taft-Hartley plans, other pooled investment vehicles, banking and thrift institutions, charitable institutions, foundations, endowments, state, municipal and federal government entities, registered investment companies, private investment funds, trust programs, other investment advisers, sovereign funds, foreign registered and private funds, other U.S. and international institutions, and individual accounts. PRA generally has a minimum account size of \$5.0 million for opening a direct account.

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

Investment Strategies

PRA engages in three primary investment strategies. The first, DeltaShift, is call writing in which it sells call options against underlying equity or equity index positions with a goal of increasing portfolio return. The second, Dynamic Hedged Equity, is a risk management or hedging strategy in which PRA purchases index put options and sell index calls with the goal of reducing portfolio risk and volatility. Finally, PRA engages in Option Absolute Return Strategies (“OARS”), the sale of call and put spreads with the goal of generating incremental return for its clients.

PRA may enter into derivatives transactions to help manage overall risk or to gain or reduce investment exposure on behalf of clients. The derivatives instruments typically used by PRA

include listed, FLEX and over-the-counter options, over-the-counter prepaid forward sale agreements, swaps, structured notes, and other structured derivative instruments.

PRA offers customized options overlay strategies designed to avert potential losses associated with changes in a particular investment or asset class, generate supplemental income, or gain contingent asset class exposure.

DeltaShift

DeltaShift seeks to improve expected performance through the sale of equity or equity index call options. Portfolio volatility is reduced in exchange for the willingness to limit upside profit potential. The strategy is subject to the following material risks: Active Management Risk, Concentration Risk, Derivatives Risk, Equity Risk, General Investing Risk, Hedge Correlation Risk, Market Risk, Option Strategy Risk, Structured Management Risk, and Tracking Error Risk. For a summary of each risk, see *Summary of Material Risks* below.

Dynamic Hedged Equity

Dynamic Hedged Equity seeks to reduce portfolio risk and volatility through the purchase of index put options and the sale of index call options in a methodical manner. The strategy is subject to the following material risks: Active Management Risk, Concentration Risk, Derivatives Risk, Equity Risk, General Investing Risk, Hedge Correlation Risk, Market Risk, Option Strategy Risk, Structured Management Risk, and Tracking Error Risk. For a summary of each risk, see *Summary of Material Risks* below.

OARS - Option Absolute Return Strategies

OARS seeks to generate excess returns through the sales of index call spreads and index put spreads. The strategy is subject to the following material risks: Active Management Risk, Concentration Risk, Derivatives Risk, Equity Risk, General Investing Risk, Hedge Correlation Risk, Market Risk, Option Strategy Risk, Structured Management Risk, and Tracking Error Risk. For a summary of each risk, see *Summary of Material Risks* below.

Summary of Material Risks

Active Management Risk. The success of a client's account that is actively managed depends upon the investment skills and analytical abilities of the portfolio manager to develop and effectively implement strategies that achieve the client's investment objective. Subjective decisions made by the portfolio manager may cause a client portfolio to incur losses or to miss profit opportunities on which it may otherwise have capitalized.

Concentration Risk. A strategy that concentrates its investments in a particular sector of the market (such as the utilities or financial services sectors) or a specific geographic area (such as a country or state) may be affected by events that adversely affect that sector or area and the value of a portfolio using such a strategy may fluctuate more than that of a less concentrated portfolio.

Derivatives Risk. The use of derivatives can lead to losses because of adverse movements in the price or value of the asset, index, rate or instrument underlying a derivative, due to failure of the counterparty or due to tax or regulatory constraints. In this context, Derivatives include but are not limited to: futures, forwards, options, participatory notes, warrants, and other similar instruments that may be valued upon another or related asset. Derivatives may create economic leverage in a client portfolio, which magnifies the portfolio's exposure to the underlying investment. Derivatives risk may be more significant when derivatives are used to enhance return or as a substitute for a position or security, rather than solely to hedge the risk of a position or security held by a client portfolio. Derivatives for hedging purposes may not reduce risk if they are not sufficiently correlated to the position being hedged. A decision as to whether, when and how to use derivatives involves the exercise of specialized skill and judgment, and a transaction may be unsuccessful in whole or in part because of market behavior or unexpected events. Derivative instruments may be difficult to value, may be illiquid, and may be subject to wide swings in valuation caused by changes in the value of the underlying instrument. If a derivative counterparty is unable to honor its commitments, the value of a client portfolio may decline and/or the portfolio could experience delays in the return of collateral or other assets held by the counterparty. The loss on derivative transactions may substantially exceed the initial investment. Certain strategies may use derivatives extensively.

Equity Risk. The strategy may be sensitive to stock market volatility and the stocks in which it invests may be more volatile than the stock market as a whole. The value of stocks and related instruments may decline in response to conditions affecting the general economy; overall market changes; local, regional or global political, social or economic instability; and currency, interest rate and commodity price fluctuations, as well as issuer or sector specific events. Market conditions may affect certain types of stocks (such as large-cap or growth stocks) to a greater extent than other types of stocks. If the stock market declines, the value of a portfolio will also likely decline and although stock values can rebound, there is no assurance that values will return to previous levels.

General Investing Risks. Most investment strategies are not intended to be complete investment programs. Clients generally should have a long-term investment perspective and be able to tolerate potentially sharp declines in value and/or investment losses. Investment advisers, other market participants and many securities markets are subject to rules and regulations and the jurisdiction of one or more regulators. Changes to applicable rules and regulations could have an

adverse effect on securities markets and market participants, as well as on the ability to execute a particular investment strategy.

Hedge Correlation Risk. Certain strategies seek to maintain substantially offsetting exposures and follow a generally market-neutral approach. Hedging instruments utilized for these strategies may not maintain the intended correlation to the investment being hedged or may otherwise fail to achieve their intended purpose. Failure of the hedge instruments to track a client portfolio's investments could result in the client portfolio having substantial residual exposure to market risk.

Market Risk. Economic and other events (whether real or perceived) can reduce the demand for certain securities or for investments generally, which may reduce market prices and cause the value of a client portfolio to fall. The frequency and magnitude of such changes cannot be predicted. Certain securities can experience downturns in trading activity and, at such times, the supply of such instruments in the market may exceed the demand. At other times, the demand for such instruments may exceed the supply in the market. An imbalance in supply and demand in the market may result in valuation uncertainties and greater volatility, less liquidity, widening credit spreads and a lack of price transparency in the market. No active trading market may exist for certain investments, which may impair the ability of the portfolio manager to sell or to realize the full value of such investments in the event of the need to liquidate such assets. Adverse market conditions may impair the liquidity of some actively traded investments.

Option Strategy Risk. A client portfolio may employ an option strategy that seeks to take advantage of a general excess of option price-implied volatilities for a specified index over the realized index volatilities. This market observation is often attributed to an excess of natural buyers over natural sellers of specified index options. There can be no assurance that this imbalance will apply in the future over specific periods or generally. It is possible that the imbalance could decrease or be eliminated by actions of investors that employ strategies seeking to take advantage of the imbalance, which could have an adverse effect on the client portfolio's ability to achieve its investment objective. Call and put spreads employed by certain strategies may be based on a specified index or on exchanged-traded funds that replicate the performance of certain indexes. In the case of an index, returns realized on call and put spread positions over each roll cycle will be determined by the performance of the index. If the index appreciates or depreciates sufficiently over the period to offset the net premium received, the client portfolio will incur a net loss. The amount of potential loss in the event of a sharp market movement is subject to a cap defined by the difference in strike prices between written and purchased call and put options, and the notional value of the positions. The value of the specified exchange-traded fund is subject to change as the values of the component securities fluctuate. Also, it may not exactly match the performance of the specified index. All options and other derivatives must be carefully considered for increased investment risks.

Structured Management Risk. PRA uses quantitative, proprietary investment techniques and analyses in making investment decisions. These strategies seek to take advantage of certain quantitative and/or behavioral market characteristics identified by PRA, utilizing rules-based country, sector and commodity weighting processes, structured allocation methodologies and disciplined rebalancing models. These investment strategies have not been independently tested or validated, and there can be no assurance that they will achieve the desired results.

Tracking Error Risk. Tracking error risk refers to the risk that the performance of a client portfolio may not match or correlate to that of the index it attempts to track, either on a daily or aggregate basis. Factors such as fees and trading expenses, imperfect correlation between the portfolio's investments and the index, changes to the composition of the index, regulatory policies, high portfolio turnover rate and the use of leverage all contribute to tracking error. Tracking error risk may cause the performance of a client portfolio to be less or more than expected.

Investing in securities involves risk of loss that clients should be prepared to bear. There is no guarantee that PRA will achieve its clients' or the firm's goals.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of PRA or the integrity of PRA's management. PRA has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

As detailed in Item 4, PRA is a wholly-owned subsidiary of Parametric Portfolio Associates LLC ("Parametric"). Parametric is a majority owned subsidiary of Eaton Vance Corp. ("EVC"), a publicly held company that is traded on the New York Stock Exchange. Parametric's principal owners are EVA Holdings LLC and Eaton Vance Acquisitions, who collectively own approximately 97% of Parametric. EVA Holdings LLC and Eaton Vance Acquisitions are wholly-owned subsidiaries of EVC. As an indirect subsidiary of EVC, PRA has several relationships with affiliates that are material to its advisory business and its clients.

Parametric, PRA's parent company, is also an investment adviser registered with the SEC. In addition, Parametric is registered as a Commodity Trading Adviser ("CTA") and Commodity Pool Operator ("CPO") with the Commodity Futures Trading Commission ("CFTC") and a member of the National Futures Association ("NFA"). PRA and Parametric have entered into a service level agreement under which Parametric provides certain services to PRA including but

not limited to: accounting, billing, disbursement, human resources, sales and marketing, legal and compliance, software development, account maintenance, daily account and trade reconciliation, operations and general corporate services. PRA serves as a sub-adviser to Parametric with regard to certain client portfolios. Parametric personnel may market and promote PRA's investment advisory services and strategies. Compensation for client sales and referrals may be provided to both PRA and Parametric marketing personnel for cross marketing products and strategies.

PRA provides investment advisory services to various private and public pooled investment vehicles sponsored by EVC or its subsidiaries (the "EV Funds"). The EV Funds include registered investment companies (the "EV Mutual Funds"), investment companies exempt from registration ("Private Funds"), and investment companies domiciled and distributed outside the United States ("Offshore Funds").

PRA is under common control with Eaton Vance Distributors, Inc. ("EVD"), a broker-dealer registered with the SEC and a FINRA member firm. EVD is a wholly-owned subsidiary of EVC. EVD is the principal underwriter and distributor of certain EV Funds. PRA currently does not conduct any brokerage business with EVD. PRA and EVD have entered into a revenue sharing agreement under which PRA compensates EVD with a percentage of the advisory fees earned by PRA on certain client accounts for EVD's joint marketing efforts. Certain Parametric sales personnel, who also promote PRA investment strategies, may be registered representatives of EVD and receive compensation for promoting sales of EV Funds sub-advised by PRA and for which PRA receives a separate advisory fee.

PRA is under common control with Eaton Vance Management ("EVM"), an investment adviser registered with the SEC. EVM is also registered as a CTA and CPO with the CFTC through the NFA. EVM is a wholly-owned subsidiary of EVC. EVM serves as the investment adviser and/or administrator to certain EV Funds and other unaffiliated client portfolios. PRA serves as a sub-adviser to EVM for certain EV Mutual Funds. PRA also provides option overlay services to EVM for other unaffiliated client accounts. Pursuant to a written agreement between PRA and EVM, PRA receives a portion of the total fees paid for such accounts. Certain employees of PRA are also employees of EVM and, as such, assist in the management and execution of the option overlay component of a number of Eaton Vance Funds. These funds utilize equity option strategies to supplement the equity investment strategy employed by the EV Funds' portfolio managers. This arrangement creates a potential conflict of interest which has been mitigated through the execution of a non-disclosure agreement which restricts access to certain data to only those dual PRA-EVM employees who are authorized to have access.

PRA is under common control with Boston Management and Research ("BMR"), an investment adviser registered with the SEC. BMR is also registered as a CTA and CPO with the CFTC

through the NFA. BMR is a wholly-owned subsidiary of EVM. BMR serves as the investment adviser to certain EV Funds. PRA has entered into sub-advisory agreements with BMR with respect to certain EV Funds.

Investment strategies and products of PRA, Parametric, EVM and other affiliates may be cross marketed. PRA and Parametric work closely with affiliates to jointly market advisory services and strategic investment strategies to institutional investors and high-net-worth individuals, and may refer clients to affiliates when appropriate. These shared marketing efforts and sales referrals may result in intercompany transfers and cost-sharing payments between PRA, Parametric and its affiliates.

Item 11 – Code of Ethics

In accordance with Rule 204A-1 under the Advisers Act, PRA has adopted a written Code of Ethics (the “Code”) that is applicable to all employees of the firm. The Code sets a high standard of business conduct and emphasizes each employee’s fiduciary duty to PRA’s clients. The Code includes provisions relating to the confidentiality of client information, the prohibition of insider trading, guidance on the provision or receipt of certain gifts and business entertainment, and personal securities trading procedures, among other things. All employees of PRA must acknowledge, in writing, that they have read, understand and agree to comply with the Code.

The Code requires all employees and their immediate family members to promptly report all non-exempt personal securities transactions. The Code further requires that all reportable investment accounts be disclosed, that Compliance is provided duplicate transaction information for all reported accounts, and that all employees certify compliance with the Code at least annually. In addition to reporting and recordkeeping requirements, the Code imposes various substantive and procedural restrictions on personal securities transactions.

PRA employees and persons associated with PRA are required to comply with the firm’s Code. Subject to satisfying this company policy and applicable laws, employees of PRA may trade for their own accounts in securities that are recommended to and/or purchased for their clients. From time to time, PRA or its affiliates may also recommend to investment advisory clients the purchase or sale of mutual funds in which PRA receives a sub-advisory fee. In addition, certain PRA employees are dual employees of Eaton Vance Management which directly manages mutual funds that may invest in the same securities and at the same time as PRA clients. The firm’s Code is designed to assure that the activities, interests and relationships of PRA’s employees will not interfere with their ability to make decisions in the best interest of advisory clients while allowing employees to invest for their own accounts. Thus, the Code designates certain classes of securities as exempt securities and certain classes of transactions as exempt transactions, based upon a determination that these securities and transactions would not

materially interfere with the best interests of PRA's clients. Nonetheless, because the Code in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored to reasonably ensure employees comply with the Code, and to reasonably address conflicts of interest between Parametric and its clients.

PRA may trade in securities of issuers of which persons related to its employees may be considered to be insiders. PRA's investment recommendations and trading activities will not be based on material, non-public information, as defined in PRA's Insider Trading Policy and Procedures.

PRA or related persons may hold securities which PRA may also recommend to clients. As these situations may represent a conflict of interest, PRA has established a set of guidelines and restrictions designed to constrain the ability of employees to gain advantage of securities trading over client transactions.

In addition to reporting and recordkeeping requirements, the Code of Ethics also imposes various substantive and procedural restrictions on covered transactions for certain PRA employees.

PRA or its employees may give charitable contributions to clients including sponsoring or supporting events organized by a client. PRA may also support educational endeavors of industry or client trade organizations.

Certain PRA employees are also employees of EVM. As such, these "dual" employees are also subject to the EVM Code of Ethics.

A client or prospective client may obtain a copy of PRA's Code of Ethics upon request by contacting PRA's Chief Compliance Officer at (206) 694-5755 or via email at ppa-compliance@paraport.com. A written request should be mailed to the following address: Parametric Risk Advisors, Attn: Compliance, 518 Riverside Avenue, Westport, CT 06880.

Item 12 – Brokerage Practices

PRA is generally assigned investment authority and discretion to buy, sell and/or exchange client assets in accordance with a client's specified investment objective or strategy. Discretionary authority, including any limitations thereto, is set forth in the investment management agreement with the client, which provides PRA written authority to (i) determine the securities and amount of securities to be bought or sold, (ii) select the broker-dealer to be used for client transactions and (iii) negotiate the commission costs that will be charged to clients for these transactions. A client may amend or revise limitations on PRA's discretionary authority as desired. Any amendment or modification must be submitted to PRA in writing.

PRA will endeavor to select those brokers-dealers that will provide best execution, which generally is evaluated on the basis of overall price obtained, services provided, and commission rates. The reasonableness of the total transaction is based on the broker-dealer's ability to access the most effective market place, provide liquidity and capital as needed, and deliver professional, settlement and research services, while charging competitive commission rates to assist PRA in providing quality investment management services to clients. Consequently, in a particular transaction a client may pay a commission in excess of that which another broker-dealer might have charged for executing the same transaction. PRA may use a broker who provides useful research and securities transaction assistance. Client portfolio transactions may also be effected through broker-dealer firms that have introduced prospective clients to PRA or its affiliates, subject to seeking best execution and provided such brokerage is not directed to the broker-dealer as compensation.

Consistent with its obligation to seek best execution, PRA may aggregate or "block" trades if, in PRA's reasonable judgment, such aggregation may result in an overall economic benefit to each participating client account. By aggregating trades for multiple client accounts into a larger, single block order, PRA may be able to obtain a better execution price, a lower commission, and more favorable trade execution for all participating accounts, which receive an average price and share commission costs equally. Completed orders are allocated as specified in the initial order. Partially filled orders are allocated on a pro rata basis.

Investment decisions to buy or sell securities for any account are the product of many factors, including, but not limited to, the particular client's investment objectives, available cash resources, the relative size of the client's portfolio holdings of the same or similar securities, the size of investment commitments generally held by the client and the opinions of the persons responsible for making investments for such account. Thus, a particular security may be bought or sold for certain clients even though it could have been bought or sold for other clients at the same time. In certain instances, a particular security may be bought for certain clients when other clients are selling that security. In order to avoid a potential conflict of interest, it is PRA's policy to generally refrain from crossing such transactions. Trades are sent to a broker-dealer for execution.

PRA provides investment advisory services to certain clients who have withheld or restricted PRA's authority to select brokers to execute their trades. In these instances, the client has mandated that securities transactions be directed to specific broker-dealer for execution. These client-directed brokerage arrangements may prevent a client account from participating in a larger simultaneous aggregated transaction. Thus, when PRA is directed to execute orders for a client account through a specific broker-dealer, or to include a specific broker-dealer in a competitive bidding process, the order will normally be placed after completion of non-directed

orders to avoid marketplace trading conflicts. This may affect PRA's ability to obtain best execution, the timeliness of execution, also result in a less advantageous price being realized by the account. If the client directs PRA to execute transactions through a specific firm or firms, the client will be responsible for negotiating the commission rates with such firms or firms, and such negotiation may result in higher commissions than would have been paid if PRA had full discretion in the selection of broker-dealer firms.

PRA serves as an investment manager to client accounts in various wrap fee programs. While PRA may have discretion to select broker-dealers other than the wrap program sponsor to execute trades for wrap accounts in a particular program, trades are generally executed through the financial institution sponsoring the wrap program. A wrap program sponsor may instruct PRA not to execute transactions on behalf of the wrap accounts in that program with certain broker-dealers. When a sponsor restricts PRA in this way, it may affect PRA's ability to negotiate favorable commission rates or volume discounts, the availability of certain spreads, and the timeliness of execution. This may consequently result in a less advantageous price being realized by the account. PRA endeavors to treat all wrap accounts fairly and equitably over time in the execution of client orders. Depending on factors such as the size of the order, and the type and availability of a security, orders for wrap accounts may be executed throughout the day. When orders are placed with broker-dealers, such trades may experience sequencing delays and market impact costs, which PRA will attempt to minimize.

PRA does not provide custodial services. PRA does not recommend broker-dealers to clients. PRA clients must independently evaluate these broker-dealers and PRA is not responsible or liable for that relationship. Factors considered by PRA when making a recommendation include but are not limited to: the broker-dealer's ability to provide professional services, PRA's experience with and reputation of the broker-dealer, and the broker-dealer's quality of execution services and costs of such service. PRA clients are not obligated to affect trades through a recommended broker-dealer or in any way engage that entity in other business activities. PRA has no verbal or written agreement with any firm to receive compensation for such recommendations.

PRA does not engage in "soft-dollar" arrangements.

On occasion, PRA or a broker-dealer may make an error in executing a securities transaction on behalf a client account. PRA will seek to correct each trade error promptly and in the client's best interest. PRA will reimburse a client for any losses resulting from an error or subsequent actions taken to correct the error in the client account. PRA will not correct an error in a manner which favors one client at the expense of another client. PRA will not intentionally profit or benefit from the resolution of a trade error.

Item 13 – Review of Accounts

While portfolio securities are continuously reviewed by PRA, all client accounts are reviewed, at a minimum, on a quarterly basis by the Managing Directors of PRA. Interim reviews of varying degrees may be triggered by numerous factors, including but not limited to: significant equity price or interest rate changes; new economic forecasts; investment policy changes of PRA; asset additions to the account by the client; and/or changes in a client's objectives, instructions, or circumstances.

PRA will provide quarterly reports summarizing account performance, balances and holdings, but cannot be held responsible for ensuring the client's custodian provides the authorized statements.

Item 14 – Client Referrals and Other Compensation

PRA may, from time to time, compensate, either directly or indirectly, any person (defined as a natural person or a company) for client referrals. PRA may engage the services of third-party solicitors. Information regarding these relationships is available by request. PRA is aware of the special considerations promulgated under Section 206(4)-3 of the Investment Advisers Act of 1940 and similar state regulations. As such, appropriate disclosure shall be made, all written instruments will be maintained by PRA and all applicable Federal and/or State laws will be observed. As indicated elsewhere in this document, PRA may participate directly and/or indirectly in accounts managed by its parent company and other affiliated organizations. Compensation may be provided through bonus pools, intercompany services, intercompany transfers and similar forms of payment. PRA employees may be compensated by Parametric and Parametric employees may be compensated by PRA for cross marketing institutional products. Clients are assessed management fees based on level of assets, investment strategy and customization complexity, and not based on any revenue sharing arrangements.

Item 15 – Custody

PRA does not maintain custody of client funds and securities; client assets are generally maintained with unaffiliated, qualified custodians. Clients must contact their financial adviser and/or custodian to ensure that they receive direct account statements and transaction confirmations. Clients should receive, at a minimum, formal quarter-end statements from the broker-dealer, bank or other qualified custodian. PRA urges all clients to carefully review such statements and compare such official custodial records to the account statements provided by PRA. However, PRA statements may not be reconciled completely with custodial statements due to accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 – Investment Discretion

In the standard investment management agreement, PRA receives discretionary authority from the client to select the specific securities and individual amounts to be bought or sold. In most instances, this discretion also includes the ability to choose the broker-dealer used for transactions and the commission costs that will be charged to clients for these transactions.

PRA will endeavor to select those broker-dealers that will provide best execution, which generally is evaluated on the basis of the overall price obtained, services provided, and commission rates. The reasonableness of the total transaction is based on the broker-dealer's ability to access the most effective market place, provide liquidity and capital as needed, and deliver professional, settlement and research services, while charging competitive commission rates to assist PRA in providing quality investment management services to clients. Consequently, in a particular transaction a client may pay a commission in excess of that which another broker-dealer might have charged for executing the same transaction. PRA may use a broker who provides useful research and securities transaction assistance. Client portfolio transactions may also be effected through broker-dealer firms that have introduced prospective clients to PRA or its affiliates, subject to seeking best execution and provided such brokerage is not directed to the broker-dealer as compensation.

Any limitations on this discretionary authority shall be included in the written signed agreement. Clients may change/amend these directions as desired. Such amendments must be submitted in writing.

Item 17 – Voting Client Securities

As a matter of firm policy and practice, PRA does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in their respective portfolios.

Item 18 – Financial Information

Registered investment advisers are required to provide certain financial information or disclosures about their financial condition. PRA is a privately held entity and does not release its financial statements. However, PRA's financials are audited annually and has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients. PRA has not been the subject of any bankruptcy proceeding.




PRA's Privacy Policy

Parametric Risk Advisors LLC ("PRA") considers client privacy to be a fundamental aspect of its relationship with clients and is committed to safeguarding all client related "personal" information as defined under the privacy rules published under Section 504 of the Gramm-Leach-Bliley Act, as amended. PRA does not disclose non-public personal information concerning its clients, former clients, or investors in certain limited partnerships over which the firm acts as a general partner, to any other party or person except as permitted and/or required by law, an applicable regulatory authority, or as outlined below.

PRA may, in limited circumstances, have the need to collect non-public personal information about its clients and investors in certain limited partnerships over which the firm acts as a general partner. This information may include but is not limited to:

- ❖ Name, address, telephone number, tax identification and verification
- ❖ Assets, income, bank and investment accounts, credit information, custodian, IRS tax status and/or other specific financial, investment or related information
- ❖ Application, subscriptions, suitability and similar forms or questionnaires
- ❖ Legal documents such as trust agreements, financials, ownership records or similar information
- ❖ PRA may collect personal information when an individual account is opened or when the information is provided by that client's advisor. This material may be accumulated from sources such as account applications and related documents, other written, electronic or verbal correspondence, transactions, a brokerage or financial advisory firm, a financial adviser or consultant, and/or information captured on PRA's internet web site. PRA retains the personal information of current and former clients in accordance with Rule 204-2 of the Investment Advisers Act of 1940.

PRA may share client information with its affiliates or subsidiaries as needed to conduct business. From time to time, PRA may engage the services of third party vendors or consultants to assist with the management of client portfolios. In that respect, information will be provided on a need-to-know basis only and the external parties will agree to hold all such information confidential. PRA may also disclose or share information, to the extent permitted by law, with



other financial institutions with which the firm and/or its clients have a joint business arrangement in managing and/or servicing the client.

PRA's procedures are designed to restrict access to non-public personal information to appropriate personnel. PRA maintains physical, electronic and procedural safeguards that comply with federal standards to safeguard current and past client related personal information. PRA does not sell non-public personal information to any external source and does not distribute this information to unrelated third party providers unless necessary for business related purposes in connection with the servicing and management of client assets. PRA cannot, however, guarantee clients against information theft which is beyond its reasonable technological abilities and controls.

Clients are provided with the PRA notice of privacy statement at the time the account is incepted and annually thereafter until the account is closed. PRA reserves the right to periodically review and revise its privacy policy and will provide updates annually and/or when materially amended. At all times, the client may notify PRA in writing to restrict all non-public personal information from being distributed (except to regulators and/or by law) to any external parties including affiliates, consultants, and client related financial advisors. Clients are forewarned, however, that doing so may severely inhibit PRA's ability to properly manage the client's assets and/or appropriately conduct business on behalf of the client. Please direct any questions or concerns to Brad Berggren at 518 Riverside Avenue, Westport, CT 06880, or 1.203-227-1700.

Revised: December 31, 2014