

Parametric Risk Advisors LLC

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203-227-1700

www.parametricportfolio.com

06/30/2012

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 us at 203-227-1700. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Parametric Risk Advisors LLC is a registered investment adviser. 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 Parametric Risk Advisors LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure dated 2/1/1011 is a new document prepared according to the SEC’s new requirements and rules. As such, this Document is materially different in structure and requires certain new information that our previous brochure did not require.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Brad Berggren, CEO at 203-227-1700.

Additional information about Parametric Risk Advisors LLC is also available via the SEC’s web site www.adviserinfo.sec.gov. The SEC’s web site also provides information about any persons affiliated with PRA who are registered, or are required to be registered, as investment adviser representatives of PRA.

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Item 4 – Advisory Business

This brochure provides information about the qualifications and business practices of Parametric Risk Advisors LLC (“PRA”). Please contact Bradley Scott Berggren, Chief Compliance Officer and Chief Executive Officer, if you have any questions about the contents of this brochure.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any State securities authority. Additional information about PRA is available on the internet at http://www.adviserinfo.sec.gov/IAPD/Content/Search/iapd_OrgSearch.aspx.

You may search this site by a unique identifying number, known as a CRD number. The CRD number is 143616.

Investment Supervisory Services

PRA provides Investment Supervisory Services, defined as giving continuous advice to clients regarding investment of client funds and or 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 some advisory accounts on a discretionary basis and other advisory accounts on a non-discretionary basis.

PRA is engaged in three primary strategies:

- DeltaShift, which is a rules-based equity option overwriting program for single stocks and diversified equity portfolios with a goal of reduced volatility and enhanced return.
- Parahedge, which is a rules-based equity option program for diversified portfolios in which index put options and put option “spreads” are purchased with a goal of providing some level of downside protection. At the same time, index call options are sold to help offset the cost of the puts.
- OARS, is a rules-based equity index overlay 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 goals.

PRA’s investment strategy involves 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.

Biographies of PRA senior management are included below:

BRADLEY SCOTT BERGGREN YEAR OF BIRTH: 1966

Education:

B.A., Political Science/History, University of Vermont, 1988.

Employment History:

Managing Director/CCO, MRA Asset Management, LLC, 01/2006 to 04/2007;
Managing Director/CCO, Managed Risk Advisors, LLC, 01/2003 to 04/2007;
Private Investor, 11/2002 to 12/2002;
Managing Director, K2 Advisors, LLC, 02/2002 to 10/2002;
Managing Director, Bank of America Corp., 02/1998 to 02/2002

KENNETH LEE EVERDING YEAR OF BIRTH: 1962

Education:

B.S. Physics, Iowa State University 1985; and
PhD Physics, Yale University 1990.

Employment History:

Managing Director, MRA Asset Management, LLC, 01/2006 to 04/2007;
Managing Director Managed Risk Advisors, LLC, 08/2005 to 04/2007;
Managing Director, BNP Paribas, 07/2003 to 08/2005;
Managing Director, Zurich Premier Management, LLC, 01/2002 to 07/2003;
Managing Director, Zurich Capital Markets Inc, 08/2001 to 07/2003

JONATHAN ORSECK YEAR OF BIRTH: 1968

Education:

M.B.A., Finance, New York University Stern School of Business, 1994; and
B.S., Computer Science, University of Pennsylvania, 1990.

Employment History (last position at each firm):

Managing Director, MRA Asset Management, LLC, 03/2006 to 04/2007;
Managing Director, Managed Risk Advisors, LLC, 03/2006 to 04/2007;
Managing Director, Bank of America Securities, 02/2004 to 03/2006;
Principal, Morgan Stanley, 04/1996 to 02/2004

LAWRENCE MILES BERMAN

YEAR OF BIRTH: 1964

Education:

BA, Marketing, Boston University, 1987.

Employment History:

Managing Director, MRA Asset Management, Westport CT, 4/1/06 to Present;

Managing Director, Managed Risk Advisors, LLC, 03/2006 to 04/2007;

Principal, Wolverine Trading, New York, NY 08/1997 to 03/2006

MICHAEL A. KELLY

YEAR OF BIRTH: 1971

Education:

B.A., History, Providence College, 1993

Employment History:

Vice President, Cambridge International Securities, Westport, CT 06/2006 to 03/2008;

Equity Options Specialist, AGS Specialists, New York, 01/2005 to 06/2006;

Equity Options Specialist, TD Options, LLC, New York, 12/1998 to 01/2005

JAMES ROCCAS

DATE OF BIRTH: 1967

Education:

B.A., Economics, Princeton, 1989

M.B.A., Finance, The Wharton School, University of Pennsylvania 1995

Employment History:

Director, Merrill Lynch, New York, 04/2001 to 08/2007

Vice President, JP Morgan Chase & Co., New York, 08/1995 to 01/2004

Item 5 – Fees and Compensation

Fee Schedule

As of 2/1/11, the fee for Investment Supervisory Services will be charged on a fixed basis and/or as a percentage of assets under management, according to the schedule below:

- An annual fee of .25% to 1.00% of assets under management will be charged depending on the nature and complexity of each client's circumstances. 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 of \$5,000. 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,
- Upon termination, any prepaid management fees will be refunded to the client on a pro-rata basis.

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 a 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 required for these Investment Supervisory 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 at any time, by either party, for any reasons upon receipt of thirty days' written notice. Upon termination of any 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.

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 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 some cases, 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(a)(1) of the Investment Advisors Act of 1940 (The Advisors Act) in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3. 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.

Item 7 – Types of Clients

PRA provides portfolio management services to high net worth individuals, corporate pension and profit-sharing plans, charitable institutions, foundations, endowments, registered mutual funds, private investment funds, trust programs, and other U.S. and international institutions.

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

PRA engages in three primary investment strategies. The first is call writing in which it sells call options against underlying equity positions with a goal of increasing portfolio return. The second is risk management or hedging transactions in which PRA purchases index put options and sell index calls with the goal of reducing portfolio volatility. Finally, PRA engages in 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 transactions.

Investing in securities involves risk of loss that clients should be prepared to bear. There is no guarantee that PRA will achieve its 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

PRA is a subsidiary of Parametric Portfolio Associates LLC ("Parametric"). Through Parametric's parent company, Eaton Vance Acquisitions ("EVA"), Parametric is a majority owned subsidiary of Eaton Vance Corp. ("EVC"). EVC owns 100% of Eaton Vance Distributors ("EVD"), which serves as principal underwriter and distributor for Eaton Vance Funds. In addition EVD representatives actively market and support Parametric and PRA investment products.

Certain employees of PRA are considered so-called dual employees of PRA and Eaton Vance Management and as such receive a portion of their salary and benefits from Eaton Vance.

Through Parametric's parent company EVA, Parametric is approximately 92% owned by EVC. EVC directly or indirectly owns (i) 100% of Boston Management and Research ("BMR"), a registered investment adviser with the SEC (File no. 801-43127), (ii) a majority of Atlanta Capital Management Company ("ACM"), a registered investment adviser with the SEC (File No. 801-60673) and (iii) a majority of Fox Asset Management ("FOX"), a registered investment adviser with the SEC (File No. 801-60656).

Certain investment products of PRA, Parametric, EVM, BMR, ACM and Fox are jointly marketed by EVD representatives as discussed above.

PRA and Parametric have entered into a service level agreement under which Parametric provides certain services to PRA including software development, account maintenance, daily account and trade reconciliation, accounting, billing, disbursement, general operational support services and general corporate services to PRA.

Pursuant to a written agreement between PRA and EVD, PRA compensates EVD a percentage of the investment advisory fee earned by Parametric on certain accounts for EVD's joint-marketing efforts.

PRA also provides option overlay services to EVM for certain client accounts. Pursuant to a written agreement between PRA and EVM, PRA receives a portion of the total fee paid for such accounts.

PRA provides investment advisory services to wrap fee programs sponsored by several broker-dealer firms. A "wrap fee" is a comprehensive fee paid by the client covering both brokerage and money management services. It is the client's sole responsibility to negotiate the wrap fee with the particular broker-dealer. If PRA is selected as a sub-adviser for a specific client's assets through the wrap fee type program, PRA will have no ongoing responsibility to assess the value of services delivered by the broker-dealer or wrap fee program adviser. A client must recognize that the overall costs associated with a wrap fee type program may be higher or lower than what the client might otherwise experience by paying PRA standard fees and negotiating transaction and advisory charges with the broker-dealer. It must be recognized that the advisory and other services provided by a wrap fee program might not be available to the client other than pursuant to the wrap fee arrangement. In the wrap fee programs, PRA may be deemed to be the adviser or sub-adviser to the program, depending on whether the sponsoring broker-dealer or another investment adviser retains the basic investment advisory function.

Certain employees of PRA are also employees of Eaton Vance and, as such, assist in the management and execution of the option overlay component of a number of Eaton Vance closed-end funds. These funds utilize equity option strategies to supplement the equity investment strategy employed by the Funds' portfolio managers. This presents the potential for conflict of interests which have been addressed through an NDA, a services agreement for technology and restricting access to certain data to only those employees who are authorized to have access.

Item 11 – Code of Ethics

PRA has a Code of Ethics, which dictates standards of business conduct and personal securities transactions and prohibitions against insider trading. It is available to all clients and prospective clients upon written request.

Certain PRA employees are also dual employees of Eaton Vance Management. Those employees' actions are also covered and under the Eaton Vance Code of Ethics.

PRA and its officers, directors, employees and accounts in which affiliated persons have an investment interest, may at times buy or sell and have positions in securities which may be those recommended for purchase or sale to investment advisory clients. In addition, PRA and its related persons may also give advice and take action in their performance of their duties to clients which may differ from or be similar to the advice given, or the timing and nature of action taken, with respect to their own accounts. Available investment opportunities will be allocated among clients in a way deemed equitable by PRA.

It is the expressed policy of PRA that no person employed by PRA may purchase or sell any security immediately prior to a transaction(s) being implemented for an advisory account, and therefore, preventing such employees from benefiting from transactions placed on behalf of advisory accounts.

PRA or any related person(s) may have a position in a certain security (ies) which may also be recommended to a client.

As these situations may represent a conflict of interest, PRA has established the following restrictions in order to ensure its fiduciary responsibilities:

- Any member, officer or employee of PRA shall not buy or sell securities for their personal portfolio(s) or client portfolios where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No person of PRA shall prefer his or her own interest to that of the advisory client.
- PRA maintains a list of all securities holdings for itself, and anyone associated with its advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis by an appropriate officer/individual of PRA.
- PRA maintains a Code of Ethics. The Code of Ethics is designed to avoid not only actual but the appearance of conflicts of interest, and to put the clients' interests first. You may obtain a copy of the Code of Ethics by writing: Parametric Risk Advisors, Attn: Compliance, 274 Riverside Avenue, 1st Floor, Westport, CT 06880.

It is PRA's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. PRA will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

Item 12 – Brokerage Practices

In most situations, PRA has discretionary authority over designated client assets. In these situations, PRA's investment management agreement provides written authority to determine the securities and amounts of securities to be bought or sold, the broker-dealer to be used for client transactions and the commission costs that will be charged to clients for these transactions.

PRA will endeavor to select those brokers or dealers that will provide best execution, which generally is evaluated on the basis of services provided and commission rates. The reasonableness of commissions is based on the broker's ability to provide professional services, competitive commission rates, research and other services that will help PRA in providing investment management services to clients. Consequently, in a particular transaction a client may pay a commission in excess of that which another broker might have charged for executing the same transaction. PRA may use a broker who provides useful research and securities transaction assistance. Research services may be useful in servicing all of PRA's clients, and not all of such research may be useful for the account for which the particular transaction was effected. 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 authority statement. Clients may change/amend these limitations as desired. Such amendments shall be submitted in writing.

PRA may block trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple clients' accounts so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block. Block trading may allow PRA to execute trades in a more timely, equitable manner and to reduce overall commission charges to clients. Personal trades are not included in any client blocks.

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 some cases, a particular security may be bought for certain clients when other clients are selling that security.

When trading restrictions are placed by the client on a particular account, the restrictions may prevent the account from participating in the allocation of a larger simultaneous aggregated transaction. Thus, when PRA is directed to execute orders for a client account through a specific broker-dealer firm or firms, including Separate Program accounts, or to include a specific broker-dealer firm in a competitive bidding process these orders will normally be placed after completion of non-directed orders so as to avoid conflicts in the trading marketplace.

Directing use of a specific firm or firms may therefore affect the timeliness of executions for the directed account and may 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.

In the situations where PRA does not have the discretionary authority to determine the broker or dealer to be used, PRA may recommend the use of one of several broker-dealers if the client is in need of brokerage or custodial services, depending on the client circumstances and needs. PRA clients must evaluate these brokers before opening an account. The factors considered by PRA when making this recommendation are: the broker's ability to provide professional services; PRA's experience with the broker; the broker's reputation; and the broker's quality of execution services and costs of such services, among other factors. PRA clients are not obligated to affect trades through a recommended broker. PRA clients are free to select any broker-dealer of their choice. PRA receives no compensation, either directly or indirectly, when making an broker-dealer recommendation.

PRA does not utilize "soft-dollar" arrangements.

Item 13 – Review of Accounts

While portfolio securities are continuously reviewed by PRA, all client accounts are reviewed on at least a quarterly basis by Bradley Scott Berggren or Jon Orseck, Managing Directors of PRA. Interim reviews of varying degrees may be triggered by numerous factors, such as: 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.

In addition to the statements and confirmations of transactions that clients receive from their broker-dealer, PRA will provide quarterly reports summarizing account performance, balances and holdings

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.

Item 15 – Custody

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. PRA urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on 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 identity and amount of securities to be bought or sold. In doing this, PRA is provided with written authority to determine the securities and amounts of securities to be bought or sold, the broker-dealer to be used for client transactions and the commission costs that will be charged to clients for these transactions.

PRA will endeavor to select those brokers or dealers that will provide best execution, which generally is evaluated on the basis of services provided and commission rates. The reasonableness of commissions is based on the broker's ability to provide professional services, competitive commission rates, research and other services that will help PRA in providing investment management services to clients. Consequently, in a particular transaction a client may pay a commission in excess of that which another broker might have charged for executing the same transaction. PRA may use a broker who provides useful research and securities transaction assistance. Research services may be useful in servicing all of PRA's clients, and not all of such research may be useful for the account for which the particular transaction was effected. 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 authority statement. Clients may change/amend these limitations as desired. Such amendments shall 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 client portfolios.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about PRA’s financial condition. PRA has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.