

Item 1 – Cover Page

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Form ADV, Part 2; our “Disclosure Brochure” or “Brochure” as required by the Investment Advisers Act of 1940 is a very important document between Clients (you, your) and RiverFront Investment Group, LLC (RiverFront, us, we, our).

This brochure provides information about the qualifications and business practices of RiverFront Investment Group, LLC. If you have any questions about the contents of this brochure, please contact us at 804-549-4800 and / or info@riverfrontig.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any State Securities Authority.

Additional information about RiverFront is available at the SEC’s website www.adviserinfo.sec.gov (click on the link, select “Investment Adviser Firm” and type in our firm name). Results will provide you both Part 1 and 2 of our Form ADV.

We are a registered investment adviser with the Securities & Exchange Commission. Our registration as an investment adviser does not imply any level of skill or training. The communications we provide to you, including this Brochure, contain information you can use to evaluate us (and other advisers), which should help you with your decision to hire us or to continue to maintain a mutually beneficial relationship.

Item 2 – Material Changes

1. Material Changes:

The last annual update to the Form ADV Part 2A was filed on March 25, 2016. RiverFront has not made any material changes to the ADV Part 2A since the last annual update.

2. We may, at any time, update this Brochure and either send you a copy or offer to send you a copy (either by electronic means [email] or in hard copy form).
3. If you would like another copy of this Brochure, you can either download it from the SEC website as indicated above or contact our Chief Compliance Officer, Karrie Southall at 804-549-4813 or ksouthall@riverfrontig.com.

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Item 4 – Advisory Business

RiverFront Investment Group, LLC (“RiverFront” or “We”) is an SEC-registered investment adviser located in Richmond, Virginia. RiverFront was formed in December 2007 and registered with the SEC in February 2008. It is owned primarily by its employees through RiverFront Investment Holding Group, LLC, the holding company for RiverFront. Baird Financial Corporation (BFC) is also a minority owner of RiverFront Investment Holding Group, LLC, and therefore an indirect owner of RiverFront. BFC is the parent company of Robert W. Baird & Co. Incorporated (“Baird”), a registered broker/dealer and investment adviser.

RiverFront offers investment supervisory services via model investment portfolios for wrap fee programs at dually registered brokerage and investment advisory firms (“Sponsor Firms”) throughout the country. Additionally, RiverFront provides sub-advisory services to registered investment companies, including mutual funds and exchange-traded products (“ETPs”).

RiverFront’s offerings are not tailored to the individual needs of clients. For clients invested through wrap fee programs, the individual client’s account can be modified for certain client-imposed restrictions. These portfolios are generally offered on a discretionary or non-discretionary basis in Separately Managed Accounts (“SMAs”), Unified Managed Accounts (“UMAs”), and Model Delivery Platforms (“MDPs”). These types of accounts are described briefly below. For more information and to determine if any are appropriate for you, please consult your Financial Advisor. Through these wrap fee programs, RiverFront manages portfolios for individuals, trusts, retirement accounts (IRAs, pensions, and profit sharing plans), corporations and other institutions that are referred to us by Sponsor Firms or through Financial Advisors, individuals employed by the Sponsor Firms.

Under such wrap fee programs, Sponsor Firms assist clients with the selection of RiverFront (or have the discretion to select RiverFront) to manage the assets in accounts maintained at the Sponsor Firm, collect RiverFront’s investment advisory fee on behalf of the client, monitor and evaluate RiverFront’s performance, and provide custodial and execution services for the client’s assets.

In wrap fee programs, clients generally pay an asset-based fee to the Sponsor Firm, and out of that fee, the Sponsor Firm is responsible for paying an investment advisory fee to RiverFront. Clients participating in wrap fee programs also pay other fees when their transactions are stepped-out, as described more fully in Item 5. For a more complete description of the fees involved with wrap programs, please see Item 5 of this Brochure and your Sponsor Firm’s Brochure.

SMAs

A **separately managed account (“SMA”)** is an individually managed account offered by Sponsor Firms through one of their Financial Advisors and managed by an independent investment management firm (the “investment manager” or “manager”). These programs typically offer a wide array of investment managers from which the client can choose including: aggressive equity managers, balanced managers, fixed income managers, and others.

When a client selects an investment manager through these programs, they will usually grant the investment manager full discretion (including trading discretion) over the account. With this authority, the manager directs trading activity in the account according to their investment process and securities selection discipline. (For more information about RiverFront’s trading policies please see Item 12 of this Brochure). Trading discretion requires the investment manager to seek best execution for trades executed in the SMA.

Each SMA requires its own custodial account. As a result, a client who chooses to invest with multiple managers maintains multiple custodial accounts at the Sponsor Firm – one for each investment manager selected.

If selected to manage the assets in a client's SMA account maintained by a Sponsor Firm, RiverFront will provide investment management services on a discretionary basis to that client in accordance with one or more model portfolios selected by the client.

MDPs and UMAs

Model delivery platforms ("MDPs") are SMA wrap programs for which RiverFront only provides a model to the Sponsor Firm. Under these arrangements, RiverFront generally provides non-discretionary investment advice to these programs in the form of investment models, meaning that RiverFront does not have discretion, trading or otherwise, over these accounts. These programs are often referred to as SMA Model Delivery Arrangements, Model Manager Sub-Advisory Arrangements, or Model Delivery Platforms. RiverFront does not operationally distinguish between UMA and MDP accounts.

Unified managed accounts ("UMAs") are similar to SMAs, but there are important differences that investors should take the time to understand. A UMA combines all of a client's assets into a single account. While a SMA holds the securities associated with a single investment manager in a unique custodial account at the Sponsor Firm, a UMA typically holds multiple separate accounts in the same custodial account, as well as other investment products such as mutual funds, individual stocks, or bonds.

In a UMA, the investment manager delivers an investment model to the UMA Sponsor and often does not have trading discretion over the UMA accounts. RiverFront is considered to have discretion over Morgan Stanley Select UMA accounts, although RiverFront does not place trades for these accounts.

For information on RiverFront's trading policies and procedures, please see Item 12 of this Brochure. The differences in trade executions as well as investment restrictions that either the SMA or MDP/UMA program impose will cause MDP/UMA and SMA accounts with the same investment manager and discipline to perform differently over the same time period.

Differences between SMA, UMA, and MDP Accounts

While the RiverFront SMA, UMA, and MDP accounts may perform similarly, there are differences between them. There will be performance dispersion between UMA and MDP accounts and SMA accounts because RiverFront does not have trading discretion over the UMA and MDP accounts. SMA accounts have the ability to use individual fixed income securities and/or exchange-traded products (ETPs) to achieve fixed income exposure; however, UMAs and MDP accounts use only ETPs for fixed income exposure. ETPs include both exchange-traded funds (ETFs) and exchange-traded notes. This variance will cause the accounts to achieve different performance. Additionally, UMA accounts can contain different investments based on parameters that govern the use of multiple managers and other restrictions. Clients should speak to their Financial Advisor about the similarities and differences associated with SMAs, UMAs, and MDPs so they fully understand the account structure.

Assets Under Management

As of December 31, 2015, RiverFront's discretionary assets under management were \$3,966,828,246 in 9,209 accounts. Non-discretionary assets under management were \$1,516,527,966 in 4,529 accounts. The total assets under management were \$5,483,356,212 in 13,738 accounts. RiverFront includes all assets it manages through its registered investment companies and Morgan Stanley UMA accounts in its discretionary assets.

Item 5 – Fees and Compensation

Wrap Fee Programs

In wrap fee programs, clients generally pay an asset-based fee to the Sponsor Firm, and out of that fee, the Sponsor Firm is responsible for paying an investment advisory fee to RiverFront. RiverFront's advisory fees are generally charged quarterly in advance based on the market value of a client's assets under management at the end of the prior calendar quarter. For information on your specific billing schedule, please contact your Financial Advisor. Fees are typically deducted directly from a client's account per the Investment Advisory Agreement with RiverFront or the agreement with the Sponsor Firm. In some cases, negotiation of fees may result in different fees being charged for similar services and may be less than the stated fee schedule. In the event that a client terminates the advisory relationship, our investment management fee is prorated through the effective date of termination, as defined by the Investment Advisory Agreement with RiverFront or the agreement with the Sponsor Firm, and any remaining balance is refunded to the client. RiverFront will not be compensated on the basis of a share of capital gains or capital appreciation of client accounts.

RiverFront acts as Sub-Advisor to an actively managed ETF, the RiverFront Strategic Income Fund (RIGS). While RIGS is available for purchase outside of RiverFront investment accounts, we designed RIGS as a tool to be used within our client accounts to more effectively implement our fixed income strategies.

RiverFront will waive its sub-advisory fee and therefore will not receive a fee for its investment advisor services provided to RIGS as long as RiverFront client accounts are invested in the ETF. However, as is customary with ETFs, RIGS will carry other expenses as detailed in the prospectus, including an advisory fee paid to the Fund's advisor, ALPS Advisors, Inc. Investors should carefully read the prospectus for further information on RIGS, its fees, and other risks.

RiverFront's management fees are separate and distinct from fees and expenses charged by open-end investment companies (i.e., mutual funds, closed-end funds, and ETPs), which are held in client accounts or recommended by RiverFront to clients. A description of these fees and expenses is available in each fund's prospectus. Additionally, the fees charged by RiverFront are exclusive of all custodial and transaction costs paid to Sponsor Firms, custodians, brokers or any other third parties. For a more detailed description of our brokerage practices, please see Item 12. Clients should review all fees charged by RiverFront, Sponsor Firms, custodians, brokers, and others to fully understand the total amount of fees incurred.

SMA Wrap Programs

Clients who select RiverFront to manage their SMA assets within wrap fee programs will typically do so under either a "single contract" or "dual contract" agreement.

Under a single contract, the client pays an asset-based fee to the Sponsor Firm and, out of that fee the Sponsor Firm is responsible for paying an investment advisory fee (as described above) to RiverFront. There are other non-asset based fees that will be charged to the client as discussed below and in Item 12 of this Brochure. In these programs, the Sponsor Firm and RiverFront enter into a sub-advisory or other agreement under which RiverFront agrees to manage the assets of client accounts in these programs. As part of that agreement, RiverFront and the Sponsor Firm agree on the investment advisory fees to be charged by RiverFront on those assets. RiverFront's advisory fees are negotiable and will vary from program to program, but typically do not exceed 0.50% per year on the value of the client assets in the wrap fee program.

Under a dual contract agreement, the client has one contract with the Sponsor Firm and another contract with RiverFront. As such, the client pays RiverFront an investment advisory fee in addition to

the asset-based fee they pay to the Sponsor Firm for investment advice, custody, execution and reporting. RiverFront's advisory fee is negotiable, but typically does not exceed 0.50% per year on the value of the client assets in the wrap fee program. Other fees will also apply and are discussed in more detail below and in Item 12 of this Brochure.

Specific information on the investment advisory fees payable to RiverFront under a wrap fee program will be provided by the applicable Sponsor Firm. For information on the asset-based fees charged by the Sponsor Firm, clients should consult with the Sponsor Firm or refer to the Sponsor Firm's Wrap Fee Program Brochure (also known as ADV Part 2A Appendix 1).

MDP/UMA Wrap Programs

RiverFront has agreements with certain Sponsor Firms to provide model portfolios to MDP/UMA clients for a negotiated fee. RiverFront's advisory fees are negotiable and will vary from program to program, but typically do not exceed 0.40% per year on the value of the client assets in the wrap fee program.

Investment Advisory Services to Registered Investment Companies (Mutual Funds and ETFs)

RiverFront acts as Sub-Advisor to Registered Investment Companies ("Funds") that are advised by either ALPS Advisers, Inc. ("ALPS") or First Trust Advisers, L.P. ("First Trust"). For these sub-advisory services, RiverFront charges an annual investment management fee based upon the market value of the assets being managed in the Fund(s). The fees are prorated and accrued daily, based upon the fair market value of the assets in the Fund. In the event the Fund terminates the sub-advisory relationship, RiverFront's investment management fee is prorated through the effective date of termination, as defined by the applicable Investment Sub-Advisory Agreement, and any remaining balance is refunded to the Fund. RiverFront's annual sub-advisory fee ranges from 0.24% to 0.60% for these services depending on the product offered. Please see each fund's prospectus for its sub-advisory fees.

Additional Fees and Expenses

Advisory fees payable to us do not include all the fees you will pay when we purchase or sell securities for your account(s). These fees or expenses are what you pay directly to third parties, whether a security is being purchased, sold, or held in your account(s) under our management. They are paid to broker-dealers, custodians, or the mutual fund or other investment you hold. The fees can include but are not limited to the following:

- Brokerage commissions
- Transaction fees
- Exchange fees
- SEC fees
- Advisory fees and administrative fees charged by mutual funds (MFs) and/or exchange traded products (ETPs)
- Advisory fees charged by sub-advisers (if any are used for your account)
- Custodial Fees
- Deferred sales charges (on MFs or annuities)
- Odd-Lot differentials
- Transfer taxes
- Wire transfer and electronic fund processing fees
- Commissions or mark-ups / mark-downs on security transactions
- ETF creation/redemption fees.

Neither RiverFront nor any of its supervised persons accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual

funds. As described above, RiverFront receives different fees for different services, depending on the platform. Certain RiverFront employees receive compensation based in part on gross sales of investment services. This basis point incentive compensation received varies by the service/product. This practice presents a conflict of interest because it gives RiverFront or our employees an incentive to recommend investment products based on the compensation received, rather than on a client's needs.

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

RiverFront does not currently accept performance-based fees – that is, fees based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7 – Types of Clients

RiverFront provides investment advice to a wide range of clients including, but not limited to, individuals, trusts, estates, pension and profit sharing plans, charitable organizations, and corporations. RiverFront also serves as Sub-Advisor to investment companies. The minimum account size depends on the services offered and may be waived at RiverFront's discretion. SMA account minimums are generally \$200,000; ETF SMAs generally require a \$100,000 minimum. RiverFront does not have the ability to impose minimums on MDP/UMA accounts. For investment company account minimums, please see the Fund's prospectus, as minimums vary depending on the share class selected.

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

We believe that a successful investment process must combine two market forces: value and momentum. We seek to identify strategic relative value as asset classes deviate from established trends, and structure long-term allocation strategies to capitalize on these relative value assessments. We modify the long-term strategy with tactical tilts designed to accommodate cyclical factors and current trends. The goal of this tactical process is to mute the tendency of a pure value discipline to buy undervalued assets too quickly or sell overvalued assets too soon. We reserve our largest allocations for those sectors that represent long-term value and for which market momentum has started to turn. In other words, we seek to combine value with momentum, making our largest bets when our evaluations of value and momentum are aligned.

We implement this philosophy in portfolios through a multi-layered investment process and discipline which includes:

- Dynamic Strategic Asset Allocation
- Tactical Adjustments
- Portfolio Construction
- Risk Management

Portfolio quality and concentration requirements are established to provide an overall discipline and structure to the portfolio. Strategies ordinarily include long and short-term purchase of equity and/or fixed income securities, and exchange-traded products (ETPs). RiverFront uses ETPs to manage sector, asset class, and country/region allocations of the portfolios. Diversification and liquidity are paramount risks in the management of fixed income allocations, and RiverFront seeks to achieve suitable diversification and liquidity levels through investments in ETPs and potentially investments in closed-end funds ("CEFs"). Similarly, the specialized knowledge and transaction costs associated with international

equity investing make ETPs and potentially CEFs desirable strategies for this sector of the portfolio. For the fixed income and international equity asset classes, investments in ETPs and CEFs can form a core portfolio strategy. Domestic equity investments will be “all-cap” in nature and can take a variety of forms, including individual equity securities, ETPs, and CEFs. Because RiverFront’s investment strategies rely in part on the use of ETPs, investors should consider the risks inherent to ETPs before investing in RiverFront portfolios. For information on the material risks associated with ETPs, see “Risks Related to ETPs” below. RiverFront may select for use in its model portfolios certain ETPs that are advised by ALPS or First Trust. This creates a potential conflict of interest in that RiverFront also serves as sub-adviser to other ETFs advised by either First Trust or ALPS and as a result of this relationship may have an incentive to use First Trust or ALPS ETPs. RiverFront’s security selection and investment recommendation process is based on the merits of the security and applicable market factors as described above and below. It does not take into account whether or not RiverFront has a relationship with the ETP Adviser/Sponsor. Additionally, RiverFront has implemented policies and procedures to require additional review of any investment recommendations of ETPs advised/sponsored by ALPS or First Trust that are not sub-advised by RiverFront.

Due to the investment strategies and methodologies of RiverFront, client accounts will experience high portfolio turnover. Portfolio turnover is defined as a change in the securities held by an account. Higher portfolio turnover is a result of frequent trading and involves correspondingly greater expenses to a client account, including brokerage commissions or dealer mark-ups and other transaction costs on the sale of securities and reinvestments in other securities. Such sales may also represent tax risk. The trading costs and tax risk associated with portfolio turnover may adversely affect a client account’s performance.

Additionally, certain strategies may purchase commodities and emerging market debt or equity. Investors in commodity ETPs are likely to be subject to K-1 filings. The income and certain expenses of commodity ETPs are passed through to the owners, who report and pay tax on the income. The K-1 is the form used to report each owner’s share of income and certain expense items.

ADVANTAGE PORTFOLIO SOLUTIONS

RiverFront offers the following Investment Solutions strategies, which are designed to address investor needs for diversified portfolio solutions with defined risk objectives: **Dynamic Fixed Income, Conservative Income Builder, Moderate Growth & Income, Dynamic Equity Income, Global Allocation, Global Growth, and International Opportunities**. A brief description of each strategy is provided below. For additional information on each strategy and the asset classes around which the portfolios are built, please visit the RiverFront website at riverfrontig.com. Note that some Sponsor Firms alter or use their own naming conventions for the strategies listed above.

The Strategic Asset Allocation (“SAA”) targets serve as asset allocation guidelines for the following strategies discussed below: Conservative Income Builder, Moderate Growth & Income, Dynamic Equity Income, Global Allocation, and Global Growth strategies, and they are generally revised annually. Throughout the year, asset allocations within the portfolios will vary from the SAA targets when RiverFront’s investment team determines that a modified asset allocation offers better potential returns. These tactical asset allocation “tilts” will generally be limited to a maximum of 20% variance from each of the strategic asset allocation targets. For example, Moderate Growth & Income may have a strategic allocation target for fixed income of 50%. As a result, in most instances this portfolio model’s allocation to fixed income will range between 30% and 70%, but may vary outside of this range at RiverFront’s discretion. As the investor moves up the risk spectrum from Conservative Income Builder through the Global Growth strategies, equity allocations increase, respectively. Historical averages suggest that expected investment risk and potential return typically increase as more of the asset allocation shifts from bonds into equities.

Fixed Income Solutions

Dynamic Fixed Income is currently the only strategy offered as a Fixed Income Solution. It seeks to provide current income through investments in fixed income securities, and utilizes RiverFront's Price Matters® framework to determine the specific mix between lower and higher risk assets. While this portfolio typically invests in all fixed income securities, it also has the ability to invest to up to 15% in equities such as real estate investment trusts (REITS).

Balanced Solutions

Conservative Income Builder seeks to provide income and growth consistent with capital preservation. The strategy targets an allocation of 30% equities and 70% fixed income and a 3-5 year investment time horizon. Tactical strategies typically seek to add value by shifting 5% to 10% of the portfolio among asset classes based on the shorter term momentum in their economic fundamentals and technical price movements. In this portfolio, tactical strategies more aggressively seek to protect against shorter term market fluctuations than our portfolios with higher allocations to equities, even at the risk of reducing long-term appreciation potential.

Moderate Growth & Income seeks to provide growth of capital with an equal emphasis on growth of income. The strategy targets an allocation of 50% equities and 50% fixed income and a 5-7 year investment time horizon. Tactical strategies typically seek to add value by shifting 5% to 10% of the portfolio among asset classes. Given the investment objective, this strategy may sometimes need to emphasize short-term asset protection even at the risk of reducing long-term appreciation potential.

Dynamic Equity Income seeks to provide growth of capital with income. The strategy targets an allocation of 70% equities and 30% fixed income and a 7-10 year investment time horizon. The portfolio looks across multiple asset classes, including developed international, emerging markets, and income-oriented equities. Equities will typically be supplemented by a lower allocation to fixed income, offering attractive income and the potential to diversify some of the portfolio's equity investment risks.

Diversification does not ensure a profit or protect against a loss.

Global Allocation seeks to provide high total return. The strategy targets an allocation of 80% equities and 20% fixed income and a 7-10 year investment time horizon. This strategy is typically concentrated in equity investments, including, but not limited to, US, developed international, emerging markets, and income-oriented equities, and commodities. Equity investments will typically be supplemented by a modest allocation to fixed income investments, offering reasonable returns and the potential to diversify some of the portfolio's equity investment risks. As stated above, this *diversification does not ensure a profit or protect against a loss.*

Equity Solutions

Global Growth seeks aggressive growth of capital investment by concentrating in equity investments, including, but not limited to, US, developed international, emerging markets, and income-oriented equities, and commodities. The strategy targets an allocation of 100% equities and a 10+ year investment time horizon. As with the other strategies based on the SAA targets, Global Growth seeks to tactically add value by shifting 5% to 10% of the portfolio among asset classes based on the shorter term momentum in their economic fundamentals and technical price movements.

International Opportunities is designed to serve as the broad international equity component within a client's asset allocation mix. Based in part on the international component of the SAA modeling process, the portfolio will generally invest in ETFs that represent a diversified portfolio of securities across the globe, but it also has the ability to invest in individual stocks. In an attempt to outperform its benchmark, the portfolio managers will employ a combination of both qualitative and quantitative analysis, and the general strategies employed typically include, but are not limited to, country, currency hedging, region, sector and/or thematic rotation.

In addition to the above strategies, some RiverFront clients may be invested in the Conservative Growth Strategy. This strategy was closed to new investors as of April 30, 2013. Clients invested in the **Conservative Growth** Strategy will continue to have their portfolios managed and are allowed to add new assets to their accounts; however, the composition of the portfolio, while still within the initial investment strategy parameters, has evolved to be identical to that of the Moderate Growth & Income Strategy.

ETF ADVANTAGE SOLUTIONS

RiverFront's ETF Advantage portfolios offer the following investment strategies using only ETPs to implement the strategy: **Dynamic Fixed Income, Conservative Income Builder, Moderate Growth & Income, Dynamic Equity Income, Global Allocation, and Global Growth**. The investment team manages these portfolios according to the same methods discussed in the strategy descriptions provided above. As discussed above, investors should consider the risks inherent to ETPs before investing in these portfolios. For information on the material risks associated with ETPs, see "Risks Related to ETPs" below.

OTHER STRATEGIES

The **Developed International** portfolio is designed to serve as the developed international equity component within a client's asset allocation mix. The portfolio will generally invest in ETFs that represent a diversified portfolio of securities across the globe, with an emphasis on developed international equities, but it also has the ability to invest in individual stocks. In an attempt to outperform its benchmark, the portfolio managers will employ a combination of both qualitative and quantitative analysis, and the general strategies employed typically include, but are not limited to, country, currency hedging, region, sector and/or thematic rotation.

The **Emerging Markets** portfolio is designed to serve as the emerging market equity component within a client's asset allocation mix. The portfolio will generally invest in ETFs that represent a diversified portfolio of securities across the globe, with an emphasis on emerging markets equities, but it also has the ability to invest in individual stocks. In an attempt to outperform its benchmark, the portfolio managers will employ a combination of both qualitative and quantitative analysis, and the general strategies employed typically include, but are not limited to, country, currency hedging, region, sector and/or thematic rotation.

The Fixed Income **Core Plus** portfolio is designed to provide investors with a total return vehicle (coupon income and potential price appreciation) that seeks to outperform its benchmark over time. The portfolio managers will utilize a variety of fixed income strategies such as sector rotation, yield curve and interest rate anticipation, and individual security selection, in an attempt to outperform the benchmark. The portfolio may invest in a wide variety of fixed income instruments including, but not limited to, US Treasuries, Corporate Bonds, Agencies, Mortgage Backed Securities (MBS), Preferred Securities, Asset Backed Securities (ABS), High Yield Bonds, Foreign Bonds/Currencies, Emerging Market Bonds, and Convertible Bonds. The portfolio may also purchase individual bonds, ETFs and CEFs.

RISK DISCLOSURES

Risk of Loss

All investments in securities include a risk of loss of principal (invested amount) and any profits that have not been realized (i.e., the securities were not sold to "lock in" the profit). Stock markets and bond markets fluctuate substantially over time. In addition, as recent global and domestic economic events have indicated, performance of any investment is not guaranteed. As a result, there is a risk of loss of the assets we manage. We will do our very best in the management of investors' assets; however, RiverFront cannot guarantee any level of performance or that account assets will not be lost.

RiverFront does not represent, warrant, or imply that the services or methods of analysis used can or will predict future results, successfully identify market tops or bottoms, or insulate clients from major losses due to market corrections or crashes. No guarantees are offered that clients' goals or objectives will be achieved. Further, no promises or assumptions can be made that the advisory services offered by RiverFront will provide a better return than other investment strategies.

Varied fluctuations in the price of investments are a normal characteristic of securities markets due to a variety of influences. RiverFront's managed account programs should be considered a long-term investment; as long-term performance and performance consistency are our major goals.

Domestic Equity Risks

Under strategies utilizing equity securities, the portfolios are subject to the risk that stock prices may fall over short or extended periods of time. Individual companies may report poor results or be negatively affected by industry and/or economic trends and developments. The prices of securities issued by such companies may suffer a decline in response. These factors contribute to price volatility, which is the principal risk of investing in equity securities.

International Equity Risks

Investing in foreign companies poses additional risks since political and economic events unique to a country or region may affect those markets and their issuers. In addition to such general international risks, the portfolio may also be exposed to currency fluctuation risks and emerging markets risks as described further below.

Changes in the value of foreign currencies compared to the US dollar may affect (positively or negatively) the value of the portfolio's investments. Such currency movements may occur separately from, and/or in response to, events that do not otherwise affect the value of the security in the issuer's home country. Also, the value of the portfolio may be influenced by currency exchange control regulations. The currencies of emerging market countries may experience significant declines against the US dollar, and devaluation may occur subsequent to investments in these currencies by the portfolio.

Finally, foreign investments, especially investments in emerging markets, can be riskier and more volatile than investments in the US and are considered speculative and subject to heightened risks in addition to the general risks of investing in non-US securities.

Also, inflation and rapid fluctuations in inflation rates have had, and may continue to have, negative effects on the economies and securities markets of certain emerging market countries.

Dynamic Hedging Risk

RiverFront portfolios that invest in non-US securities may employ a dynamic currency hedging strategy. Because of this, these portfolios may have lower returns than an equivalent non-currency hedged investment when the component currencies are rising relative to the US dollar. As such, contracts to sell foreign currency will generally be expected to limit any potential gain that might be realized by the portfolio if the value of the hedged currency increases. In addition, although the portfolios seek to minimize the impact of currency fluctuations on returns, the use of currency hedging will not necessarily eliminate exposure to all currency fluctuations. Hedging against a decline in the value of a currency does not eliminate fluctuations in the value of a portfolio security traded in that currency or prevent a loss if the value of the security declines. Moreover, it may not be possible for the portfolios to hedge against a devaluation that is so generally anticipated that RiverFront is not able to contract to sell the currency at a price above the devaluation level it anticipates.

Fixed Income Risks

Under strategies utilizing debt securities, changes in interest rates could affect the value of a client's investment. Rising interest rates tend to cause the prices of debt securities (especially those with longer maturities) to fall. Rising interest rates may also cause investors to pay off mortgage-backed and asset-backed securities later than anticipated; forcing the portfolio to keep its money invested at lower rates. Falling interest rates, however, generally cause investors to pay off mortgage-backed and asset-backed securities earlier than expected, forcing the portfolio to reinvest the money at a lower interest rate.

The concept of duration is useful in assessing the sensitivity of a fixed income portfolio to interest rate movements, which are the main source of risk for most fixed income securities. Duration measures price volatility by estimating the change in price of a debt security for a 1% change in its yield. For example, a duration of five years means the price of a debt security will change about 5% for every 1% change in its yield. Thus, the higher the duration, the more volatile the security.

Debt securities have a stated maturity date when the issuer must repay the principal amount of the bond. Some debt securities, known as callable bonds, may repay the principal earlier than the stated maturity date. Debt securities are most likely to be called when interest rates are falling because the issuer can refinance at a lower rate.

The credit rating or financial condition of an issuer may affect the value of a debt security. Generally, the lower the quality rating of a security, the greater the risk that the issuer will fail to pay interest fully and return principal in a timely manner. The issuer of an investment-grade security is more likely to pay interest and repay principal than an issuer of a lower rated bond. Credit ratings are not an absolute standard of quality, but rather general indicators that reflect only the view of the originating rating agencies from which an explanation of the significance of such ratings may be obtained. If an issuer defaults or becomes unable to honor its financial obligations, the security may lose some or all of its value.

High yield or "junk" bonds are highly speculative securities that are usually issued by smaller, less credit worthy and/or highly leveraged (indebted) companies. Compared with investment-grade bonds, high yield bonds carry a greater degree of risk and are less likely to make payments of interest and principal. Market developments and the financial and business conditions of the corporation issuing these securities influences their price and liquidity more than changes in interest rates, when compared to investment-grade debt securities. Insufficient liquidity in the junk bond market may make it more difficult to dispose of junk bonds and may cause the portfolio to experience sudden and substantial price declines.

Risk Related to Liquidity

Liquidity risk exists when particular investments are difficult to purchase or sell. Such securities may become illiquid under adverse market or economic conditions and/or due to specific adverse changes in the condition of a particular issuer. If the portfolio invests in illiquid securities or securities that become illiquid, portfolio returns may be reduced because the Fund may be unable to sell the illiquid securities at an advantageous time or price.

Risks Related to ETPs

The majority of our investment holdings are ETPs, which will be subject to substantially the same risks as those associated with the direct ownership of the securities comprising the index on which the ETP is based. Additionally, the value of the investment will fluctuate in response to the performance of the underlying index. ETPs can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. During times of extreme market volatility, ETP pricing may lag versus the actual underlying asset values. This lag usually resolves itself in a short period of time (usually less than one day), however, there is no guarantee this relationship will always exist. While ETPs generally

provide diversification, risks can be significantly increased for funds concentrated in a particular sector of the market, or that primarily invest in small cap or speculative companies, use leverage (i.e., borrow money) to a significant degree, or concentrate in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. ETPs incur investment advisory and other fees that are separate from those fees charged by RiverFront (see disclosure in Item 5 titled “Other Fees”). Accordingly, our investments in ETPs will result in the layering of expenses. As a result, the cost of the investment strategy will be higher than the cost of investing directly in ETFs or mutual funds.

Risks Related to Company Size

RiverFront strategies may invest in small-capitalization and mid-capitalization stocks, which are often more volatile and less liquid than investments in larger companies. The frequency and volume of trading in securities of smaller and mid-size companies may be substantially less than is typical of larger companies. Therefore, the securities of smaller and mid-size companies may be subject to greater and more abrupt price fluctuations. In addition, smaller and mid-size companies may lack the management experience, financial resources and product diversification of larger companies, making them more susceptible to market pressures and business failure.

Risks Related to REITs

RiverFront strategies may invest in Real Estate Investment Trusts (“REITs”). REITs’ share prices may decline because of adverse developments affecting the real estate industry, such as declining real estate values, changing economic conditions, and increasing interest rates. The returns from REITs may trail returns from the overall market. Additionally, there is always a risk that a given REIT will fail to qualify for favorable tax treatment or may not remain qualified as a REIT.

Risks Related to MLPs

RiverFront strategies may invest in Master Limited Partnerships (MLPs). MLP investing includes risks such as equity and commodity-like volatility. Also, distribution payouts sometimes include the return of principal and, in these instances, references to these payouts as “dividends” or “yields” may be inaccurate and may overstate the profitability/success of the MLP. Additionally, there are potentially complex and adverse tax consequences associated with investing in MLPs. This is largely dependent on how the MLPs are structured and the vehicle used to invest in the MLPs. It is strongly recommended that an investor consider and understand these characteristics of MLPs and consult with a financial and tax professional prior to investment.

Risks Related to American Depositary Receipts (“ADRs”)

ADRs are typically issued by a US bank or trust company and represent ownership of underlying foreign securities. In addition to the risks presented in any investment – changes in value, changes in demand – there are several risks unique to ADRs that must be considered. For instance, while they will react to normal market fluctuations like regular stocks, ADRs are still vulnerable to currency risks. If the value of the company's home currency falls too much relative to the US Dollar, the effect will trickle down to the ADR eventually. The same can be said for changes in the home country's government.

Risks Related to Commodities

Buying commodities allows for a source of diversification for those sophisticated persons who wish to add this asset class to their portfolios and who are prepared to assume the risks inherent in the commodities market. Any commodity purchase represents a transaction in a non-income-producing asset and is highly speculative.

Item 9 – Disciplinary Information

We do not have any legal, financial or other disciplinary item to report.

Item 10 – Other Financial Industry Activities and Affiliations

RiverFront is affiliated with Baird Financial Corporation (“BFC”) as a result of BFC’s minority ownership of RiverFront Investment Holding Group, LLC. BFC is the parent company of Robert W. Baird & Co. Incorporated (“Baird”), a registered broker-dealer and investment adviser. RiverFront provides various investment advisory and consulting services to Baird and clients of Baird, including providing discretionary and non-discretionary asset management services to Baird clients. Baird also provides certain services to RiverFront and/or RiverFront employees including insurance policies and 401K platform services.

The majority of RiverFront employees are registered representatives of ALPS Distributors, Inc. (ALPS), a FINRA member broker-dealer. The employees are registered due to their work with respect to the registered investment companies for which RiverFront serves as Sub-Advisor. ALPS is not affiliated with RiverFront Investment Group, LLC.

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

RiverFront has adopted a Code of Ethics (“Code”) that governs a number of potential conflicts of interest we have when providing advisory services to our clients and serves to establish a standard of conduct for all of RiverFront’s associated persons based upon fundamental principles of transparency, integrity, honesty and trust. The Code is designed to ensure we meet our fiduciary obligation to our clients (or prospective clients) and to foster a culture of compliance within our firm. The Code is also designed to detect and prevent violations of securities laws. A copy of the Code of Ethics is available to any client or prospective client upon request.

The Code is distributed to each employee at the time of hire and at least annually thereafter upon any material changes. It is supplemented with annual training and ongoing monitoring of employee activity.

The Code includes the following:

- Requirements related to the confidentiality of our client information;
- Prohibitions on:
 - Insider trading (possession of material, non-public information)
 - The acceptance and giving of gifts and entertainment that exceed our policy standards;
- Reporting of political contributions;
- Reporting of gifts;
- Reporting of business entertainment -- RiverFront routinely provides meals, lodging, and travel expenses during meetings with advisors and clients where RiverFront products and services are discussed; as well as sponsorship money for meetings and conferences;
- Reporting of personal conflicts of interest;
- Pre-clearance of certain employee and firm transactions; and,
- Reporting of personal securities transactions on an ongoing basis (referred to in the Code as “reportable securities”) as mandated by regulation.

At least annually, all employees are required to: (1) certify their understanding of and compliance with the Code, (2) identify members of their household and any account over which they have a beneficial ownership (they “own” the account or have “authority” over the account), and (3) identify any securities held in certificate form and all reportable securities they own at that time.

RiverFront employees may also attend educational seminars and events hosted by vendors, Sponsor Firms, or ETF providers (“outside parties”). These outside parties pay for reasonable travel, lodging and other expenses related to the event. These outside parties may also co-sponsor or sponsor RiverFront’s attendance at these events. RiverFront often uses the ETPs managed by these outside parties within client models. These outside parties sometimes share expenses for RiverFront-sponsored events, marketing campaigns, and/or broker-dealer sponsored events. These activities create conflicts of interest as RiverFront will have an incentive to use vendors and/or ETFs sponsored by firms that participate in the activities above. RiverFront does not consider these benefits provided by outside parties when selecting investment products for client portfolios. Nonetheless, RiverFront monitors these activities and requires that any expenses paid or sponsorships received be reasonable in value.

Participation or Interest in Client Transactions and Personal Trading

RiverFront permits its employees to engage, on a limited basis, in personal securities transactions. As a result, employees may purchase or sell the same or similar securities at the same time that we place transactions for our clients.

To avoid potential conflicts of interest involving personal trades, RiverFront has adopted formal insider trading and personal security transactions policies and procedures. RiverFront’s Code requires, among other things, that its employees:

- Place the integrity of the investment profession, the interests of clients, and the interests of RiverFront above one’s own personal interests;
- Act with integrity, competence, diligence, respect, and in an ethical manner with the public, clients, prospective clients, employers, employees, colleagues in the investment profession, and other participants in the global capital markets;
- Adhere to the fundamental standard that he or she should not take inappropriate advantage of his or her position;
- Avoid actual or potential conflicts of interest;
- Conduct all personal securities transactions in a manner consistent with the Code;
- Use reasonable care when conducting investment analysis, making investment recommendations, taking investment actions, and engaging in other professional activities;
- Promote the integrity of, and uphold the rules governing, capital markets; and,
- Comply with applicable provisions of the federal securities laws.

Item 12 – Brokerage Practices

In the course of providing our services, we will execute trades for our clients through broker-dealers. When selecting broker-dealers for execution, we consider a number of factors, described in detail below. Based on these factors, we will trade through broker-dealers that may charge fees that are higher than the lowest available fees.

Additionally, as an ETF strategist, RiverFront will invest its portfolios in various ETPs. Some of these ETPs will be sponsored by or affiliated with broker-dealers through which RiverFront also executes client trades. RiverFront’s due diligence and security selection process does not take into consideration

whether the ETP sponsor for a particular security is affiliated with a broker-dealer that RiverFront uses to execute client trades. Additionally, certain ETFs sub-advised by RiverFront were seeded by broker-dealers through which RiverFront places client transactions. When a firm “seeds” a fund, the firm is buying the initial shares of the ETF with its own money, and in doing so is providing the fund with an initial investor. This creates a conflict of interest in that RiverFront may be incentivized to place client trades through these broker dealers as a result of their provision of seed money; however, as a fiduciary, RiverFront is required to seek best execution for every trade placed. As such, we do not consider the provision of seed capital when selecting a broker-dealer to execute client trades. Our practices are further described below.

Wrap Fee Programs

We typically perform two types of trades for our clients. One type of trade is called a “model” trade, which is the purchase or sale of securities for our portfolios in one or more investment strategies. By its nature, a model trade will affect many client accounts at once. Model trades are almost always executed through a “step-out transaction,” meaning that they are traded away from the client’s Sponsor Firm for best execution purposes (described below). The second type of trade is referred to as a “maintenance” trade. Maintenance trading reflects individual activity in a client’s account, such as initial investment positioning, rebalancing due to additions or withdrawals of cash or securities, account liquidations, or other account-specific transactions such as client-directed tax transactions.

Maintenance transactions in a client account usually occur when the account needs to be rebalanced for any of the above reasons. These trades will generally be executed as orders with the client’s Sponsor Firm at the then current market price. Placing these trades with another broker-dealer (other than the client’s Sponsor Firm) will not likely add value since the relatively small amount of shares involved for each of the securities will not merit other types of trading.

With respect to certain transactions, including, without limitation, block trades in which RiverFront aggregates securities purchases or sales for a client account with those of one or more of its other clients, RiverFront will often, pursuant to its duty to seek best execution, determine that best execution is more likely to be achieved by having a broker-dealer other than the client’s Sponsor Firm execute the transaction (“step-out transactions”), even though such broker-dealer requires payment of a commission or commission equivalent to execute the transaction. Whenever RiverFront makes such a determination with respect to such a transaction, RiverFront will cause the account and, in the case of a block trade, any other included client accounts, to pay the executing broker-dealer the commission or commission equivalent such broker-dealer requires. These commissions or commission equivalents are charged to the client’s account in addition to the wrap fee paid to the Sponsor Firm, and are netted into the price received for a security and will not be reflected as individual items on the client trade confirmation. Because RiverFront has found that step-out transactions for model trades almost always allow it to obtain better trade executions for its clients, all or nearly all of the transactions in some client accounts will be traded away from the Sponsor Firm via step-out transactions. Given RiverFront’s trading practices, a wrap account with RiverFront as the appointed investment manager may not be suitable for clients with minimal maintenance trades.

It is our understanding that under a typical wrap fee program, clients are not charged a commission on trades executed through the Sponsor Firm. It may be an option for clients to select what is known as an “unbundling option,” which allows a client to disaggregate certain trading fees from the wrap fee. If “unbundling” is selected, the client will be charged separately for transactions in the account. These charges would be in addition to the wrap fee negotiated between the client and the Sponsor Firm and in addition to any commissions paid as a result of RiverFront’s step-out transactions. Because RiverFront places a significant amount of trades away from the Sponsor Firms, and the commissions or other fees for these trades may be considered redundant to the wrap fee, you may wish to explore the unbundling

option to determine if it would be advantageous to select if offered by your Sponsor Firm. Please discuss this option with your Sponsor Firm and/or Financial Advisor to determine whether it would be more beneficial for your account.

Some Sponsor Firms may not permit the use of step-out trades for their accounts. Clients/firms that do not allow us to engage in step-out trades will not benefit from our judgment when we believe it would be beneficial overall to implement trades in this manner. As described below, we believe this method of trading still constitutes best execution in a number of cases when considering all the factors involved in the specific trade and situation.

In evaluating the wrap fee arrangement, a client should recognize that brokerage commissions for the execution of transactions in the client's account through the Sponsor Firm are solely determined by the Sponsor Firm. It is our understanding that these transactions are generally executed without commissions and a portion of the wrap fee is generally considered as being in lieu of brokerage commissions. When placing trades through Sponsor Firms, we will generally aggregate orders where it is possible and in the client's best interests.

Both in deciding to execute step-out securities transactions and in selecting a broker-dealer to do so, we consider a variety of factors, including:

- our experience with the firm on prices and other results obtained in prior trading transactions;
- the quality of the brokerage services provided to us (and thus to our clients);
- the liquidity of the security being traded;
- the level of commissions (or commission equivalents per share when traded on a net basis) charged by that firm;
- the firm's ability to source liquidity in the underlying constituents when trading ETPs and the ability to provide transparency when doing so;
- the firm's market making activity in a stock; the firm's access to liquidity in the stock (described further below);
- the research (if any) services provided by the broker-dealer for the benefit of our clients (as discussed below);
- the speed and attention we receive from the trading desk for our clients; whether the firm has been able to trade anonymously for us (i.e., without others in the market knowing a buyer is interested in volume);
- whether the brokerage firm can and will commit its capital (if we request this) to obtain or dispose of the position for our clients;
- the market capitalization of the security being traded;
- the nature of the our portfolio managers' desire (for example a desire for speed versus other factors, including concern with obtaining the stock within a price range for all accounts) to own the stock;
- the use of limit orders and the likelihood of getting within the limit or missing the desired trade if the trading process takes too long;
- any particular trading expertise of the firm;
- access or potential access to blocks of a particular stock;
- market conditions at the time of the trade (both general conditions and conditions impacting the specific stock); and,
- any past issues we encountered when using a particular broker-dealer for similar trades.

For funds (both mutual funds and ETFs) sub-advised by RiverFront and where RiverFront has trading discretion for the fund, RiverFront will, in instances where we believe best execution can be achieved, place trades for the underlying securities of these funds with broker-dealers that are or are affiliated

with Sponsor Firms for RiverFront clients. In all cases, RiverFront seeks best execution, as described above, when selecting broker-dealers for fund trades.

Research and Other Soft Dollar Benefits

When appropriate, RiverFront, consistent with its duty to seek best execution, directs trades for client accounts to broker-dealers who provide RiverFront with brokerage and research products and services including proprietary research and research generated by third parties, as well as portfolio management tools from certain broker/dealers and other providers (“soft dollar benefits”). RiverFront may select broker-dealers that provide it with research or other transaction-related services and may cause the client to pay such broker-dealer commissions in excess of the commission other broker-dealers may have charged. Such research and other services may be used for RiverFront or other client accounts to the extent permitted by law.

When we use client brokerage commissions or markups or markdowns to obtain eligible brokerage or research, we receive a benefit because we do not have to produce or pay (with hard dollars) for the research or other services. As such, we may have an incentive to direct trades to specific broker/dealers based on our interest in receiving the research or other services, rather than on our clients’ interest in receiving a most favorable execution. In light of our fiduciary obligations to all our clients, we may use soft dollar benefits to service accounts that do not necessarily pay for the benefits via commissions or markups or markdowns. As of December 31, 2015, RiverFront does not participate in commission sharing arrangements or receive soft dollar credits. We do not seek to allocate soft dollar benefits to client accounts proportionately to the soft dollar benefits the accounts generate. We also subscribe and pay for, in hard dollars, a number of resources which we consider fundamental to our providing quality research for our clients. When evaluating the merits of executing trades via step-out transaction or via each client’s Sponsor Firm, we consider both the trading benefits to participating and non-participating accounts, as well as the research benefits to all clients. We seek to balance these considerations appropriately and in our clients’ best interests.

Within the last fiscal year, research services acquired with client brokerage commissions (or markups and markdowns) included such items as: economic reports; statistical information; analyses of particular companies or industries prepared by the firm's analysts; increased opportunities arranged by the firms for us to meet directly with management of companies in which we invest or might consider investing (including small or medium-sized group meetings or one-on-one meetings; access to presentations by analysts; invitations to conferences where numerous companies gather and meet with interested analysts; and access to discussions with industry and company analysts and others (such as economists) working for the broker-dealer or retained by the broker-dealer who spend much of their time analyzing specific companies or industries or larger economic trends. We did not receive any products or non-research services in return for allocating brokerage.

In some situations the broker-dealer through which we traded within the last fiscal year paid a third-party research firm to provide services to us for the benefit of our clients. These third-party firms included: a purely research firm (i.e., a non-trading firm); a firm that has very good research but does not have high quality trading; or a firm that may have both but that we may not be able to sufficiently utilize for various reasons. We considered that brokerage and research services received fell under the safe harbor of Section 28(e) of the Investment Advisors Act of 1940. As RiverFront discontinued its use of commission sharing arrangements and soft dollar credits as of December 31, 2015, RiverFront does not currently pay for any third-party research through any soft dollar arrangements.

During the last fiscal year, our Portfolio Management team provided input on the value of specific research and portfolio management tools. This input was used to determine who will receive soft dollar payments via our CSAs or through trading. Based on this input, the Soft Dollar Committee prepared and reviewed a budget. After the budget was approved, information about trading practices and

commission sharing arrangements was discussed by the Soft Dollar Committee. After the cessation of all commission sharing arrangements and soft dollar credits on December 31, 2015, RiverFront now receives soft dollar benefits solely through its trading activities with broker-dealers that provide research, and consistent with RiverFront's duty to seek best execution for all trades in client accounts. As such, the Soft Dollar Committee continues to review the brokerage allocation in relation to research and brokerage benefits received. Broker-dealer fees may vary and be greater than those typical for similar investments if we determine that the research, execution, and other services rendered by a particular broker-dealer merit higher-than-typical fees.

We have an ongoing list of broker-dealers that meet our standards regarding execution and research capabilities. Our trading department and Best Execution Committee evaluate the quality of the trading and execution services and capabilities (in part as described above) of various broker-dealers over time. Our Soft Dollar Committee evaluates the nature and quality of the research services provided by the broker-dealers involved to confirm that our clients are receiving material value, in our opinion, from those relationships to warrant use of such firms for trading. We also evaluate the nature and quality of the research services provided by those third parties from whom we receive research as a result of brokerage transactions by our clients, and we review and monitor the amount of trading compensation received by these broker-dealers on a periodic basis. Our list of firms whose research is particularly helpful for our clients (including in some limited cases setting target trading compensation to be received in light of the research received from those firms) is reviewed and updated regularly.

RiverFront currently receives proprietary research from the broker-dealers listed below, including the following with whom we place client transactions (this list is subject to change):

- Bank of America Merrill Lynch
- BB&T Capital Markets
- BNP Paribas
- Cantor Fitzgerald, LP
- Citigroup Inc.
- CL King & Associates
- Credit Suisse AG
- Deutsche Bank
- Goldman Sachs Group Inc.
- Jefferies LLC
- JP Morgan Chase & Co.
- Keybank Capital Markets
- Merrill Lynch
- Morgan Stanley
- Oppenheimer
- RBC
- Stifel Nicolaus
- Suntrust Robinson Humphrey, Inc.
- Susquehanna International Group, LLP
- US Bancorp
- Wells Fargo & Co.

For more information related to our soft dollar practices or a complete list of broker-dealers with which RiverFront trades, please contact us at 804-549-4800 and/or info@riverfrontig.com.

Brokerage for Client Referrals

RiverFront does not currently select or recommend broker-dealers based on our interest in receiving client referrals.

Directed Brokerage

Clients may not direct RiverFront to use a particular broker-dealer to execute transactions for that client's account; however, certain Sponsor Firms may require that all client trading be done through the client's Sponsor Firm as described above.

Trade Aggregation and Allocation

Orders for the same security entered on behalf of more than one client, including investment companies sub-advised by RiverFront and over which RiverFront has trading discretion, will generally be aggregated pursuant to RiverFront's duty to seek best execution. Subsequent orders for the same security entered during the same trading day may be aggregated with any previously unfilled orders; filled orders shall be allocated separately from subsequent orders. All clients participating in each aggregated order shall receive the average price and if applicable, pay a pro rata portion of commissions. Transactions are usually aggregated to seek a more advantageous net price and/or to obtain better execution for all clients. However, trades through the same Sponsor Firm may not be aggregated if a material time lag exists between client trade requests in the same security on the same day.

RiverFront's allocation procedures seek to allocate investment opportunities among clients/portfolios in the fairest possible way taking into account clients' best interests. RiverFront will follow procedures to ensure that allocations do not involve a practice of favoring or discriminating against any client or group of clients. Account performance or compensation is never a factor in trade allocations.

Each portfolio manager or the portfolio management team (depending on the product) allocates trades among his/her eligible accounts. In allocating trades, portfolio managers allocate orders across portfolios with similar investment guidelines and investment styles fairly and equitably, taking into consideration relevant factors, including without limitation: applicable portfolio investment restrictions and guidelines; regulatory restrictions; account-specific investment restrictions and other client instructions; risk tolerances; amounts of available cash; the need to rebalance a client's portfolio (e.g., due to investor contributions and redemptions); whether the allocation would result in an account receiving an amount lower than the typical transaction size or an "odd lot;" and other account-specific factors.

Although allocating orders among clients may create potential conflicts of interest because we receive greater fees or compensation from some clients compared to other clients, or because we may be affiliated or have other relationships with certain clients, we will not make allocation decisions based on greater fees or compensation. Notwithstanding the foregoing, and considering our policy to treat all clients fairly and equitably over time, any particular allocation decision among accounts may be more or less advantageous to any one client or group of clients and certain allocations may, to the extent consistent with our fiduciary obligations, deviate from a pro rata basis among clients in order to address, for example, differences in legal, tax, regulatory, risk management, concentration, exposure and/or mandate considerations for the relevant clients. We may determine that an investment opportunity or particular purchases or sales are appropriate for one or more clients, but not for other clients, or are appropriate for, or available to, clients but in different sizes, terms, or timing than is appropriate for other clients.

Trade Order Rotation

As discussed above, for best execution purposes, RiverFront almost always executes model changes (as defined above) for SMA accounts as step-out transactions. Therefore, a trade rotation is rarely used for

model changes for the SMA programs. RiverFront does not exercise trading discretion over its MDP/UMA client accounts. As a result, RiverFront utilizes a rotation to notify its MDP/UMA participating platforms of model changes. When updating models on these platforms, RiverFront intends to follow a methodology for contacting MDP/UMA Sponsor Firms in a pre-determined order that is fair and equitable to all clients so that no group of clients is consistently favored or disfavored over any other clients. Recommendations to MDP/UMA Sponsor Firms will be distributed after RiverFront completes all transactions for client accounts in which it exercises trading discretion.

Item 13 – Review of Accounts

SMA portfolios are reviewed on a weekly basis by the trading team to ensure that they are in line with the model portfolios.

In addition, the portfolio management team (including the Chief Investment Officer, Chief Global Equity Officer, Chief Fixed-Income Officer, Chief US Equity Officer, and the Chief Risk Officer) studies the model portfolios via daily data sheets comprising information about the specific holdings in each of the portfolios, as well as via attribution information, which details how each sector and sub-set of the portfolio is performing relative to its benchmark. Particular attention is given to continued suitability of securities in relation to the portfolios' investment objectives, performance of individual investments and changes in company fundamentals, industry outlook, market outlook, price levels, and asset allocation policy ranges.

RiverFront reviews SMA accounts that experience client-directed activity (withdrawals, additions, tax-loss selling, etc.) on a daily basis and rebalances them to the model accordingly.

Clients are kept fully informed about their portfolio activity by receiving copies of all transaction confirmations and monthly/quarterly statements from their brokerage firms and/or custodians (note: clients have the option to suppress confirms if they so choose). Clients have access to quarterly factsheets that focus on asset allocation and portfolio performance for each of the model portfolios run by RiverFront. Clients can obtain these quarterly factsheets, along with rationales for the specific model trades executed in the portfolios, by contacting their Financial Advisor. Additionally, SMA and UMA/MDP clients will receive quarterly performance reports concerning their individual portfolios from the wrap program Sponsor Firms.

Item 14 – Client Referrals and Other Compensation

As previously noted, RiverFront provides advice as part of wrap fee programs sponsored by various broker-dealers, including its affiliate, Robert W. Baird & Co., Inc. Certain economic benefits are received as a result of these broker-dealer relationships. These benefits may include: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk serving wrap program participants; the ability to have investment advisory fees deducted directly from client accounts; access to an electronic communication network for client order entry and account information; receipt of various publications and proprietary research; and participation in Sponsor Firm sponsored conferences.

Item 15 – Custody

RiverFront does not maintain custody of clients' funds or securities. The client's custodian deducts RiverFront's fee from the client's account and then sends the fee to RiverFront. Clients will receive account statements directly from these custodians and should carefully read the statements for accuracy.

Item 16 – Investment Discretion

When a client agrees to discretionary management, in writing through the signing of an Investment Advisory Agreement with RiverFront or through the Sponsor Firm agreement, we will be responsible for selecting the amount of securities to be bought and sold. In certain cases, RiverFront may be given discretionary authority in writing through an agreement with the sponsor firm. The only limitations on the investment authority will be those imposed in writing by the client or their financial advisor. Any client-imposed investment restrictions involving a security held in RiverFront's model portfolio will be prorated across the remainder of the model holdings. Therefore, in certain market conditions, clients could obtain higher or lower performance than RiverFront's similarly managed accounts. RiverFront cannot restrict specific securities that are held within an ETP.

RiverFront does not have trading discretion over UMA and MDP accounts.

Item 17 – Voting *Client* Securities (i.e., Proxy Voting)

RiverFront assumes voting responsibility for all client accounts unless explicitly noted otherwise in the client's Advisory Agreement or, for clients that are registered investment companies, the Sub-Advisory Agreement. RiverFront will generally cast votes for all shares for which it has voting authority, and therefore has adopted and implemented Proxy Voting Policy and Procedures.

In light of RiverFront's fiduciary duties, and given the complexity of the issues that may be raised in connection with proxy votes, RiverFront will vote client proxies using Glass Lewis & Co. guidelines. These guidelines are reviewed annually. Additionally, RiverFront will generally use Broadridge Financial Solutions ("Broadridge") to assist in the coordination and voting of client proxies. Mediant Communications Inc. ("Mediant") will be used to assist RiverFront in the coordination and voting of proxies for clients of Janney Montgomery Scott. The services provided to RiverFront through Broadridge and Mediant include timely delivery of meeting and record date information; proxy analysis through an electronic web-based vote execution platform; and detailed recordkeeping needs of RiverFront's proxy voting function. Both firms use research from Glass Lewis & Co. (Glass Lewis) to determine their voting recommendations.

We have currently identified no conflicts of interest between our client interests and our own within our proxy voting process. Nevertheless, if faced with a material conflict of interest in voting a client's proxy, the Proxy Administrator will use pre-determined guidelines and research to determine the appropriate vote.

Our complete proxy voting policy and procedures are memorialized in writing and are available upon request. In addition, our complete proxy voting record is available to our clients, and only to our clients. Please contact us if you have any questions or if you would like to review either of these documents.

Item 18 – Financial Information

RiverFront is not required to include disclosures under this section.

Item 19 – Requirements for State-Registered Advisers

RiverFront is an SEC-registered Investment Adviser and is not registered with any states.