

**Form ADV Part 2A  
Brochure**

**Knights of Columbus Asset Advisors LLC**

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**This brochure (the “Brochure”) provides information about the qualifications and business practices of Knights of Columbus Asset Advisors LLC (“K of C Advisors”). If you have any questions about the contents of this Brochure, please contact us at (203) 752-4077. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.**

Additional information about K of C Advisors also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

K of C Advisors is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended (the “Advisers Act”), but such registration with the SEC does not imply that our people or we have a certain level of skill or training.

## **ITEM 2 - MATERIAL CHANGES**

While there have been no material changes to report from the last version of K of C Advisors' Brochure, this Brochure has been updated to reflect routine changes in our business practices and related matters.

A copy of our current Brochure may be requested by contacting the Chief Compliance Officer staff at (203) 752-4077 or Michael.Votto@Kofc.org.

Our Brochure is available on our web site at [www.kofcassetadvisors.org](http://www.kofcassetadvisors.org), free of charge. Additional information about K of C Advisors is also available via the SEC's web site at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with K of C Advisors who are registered, or are required to be registered, as investment adviser representatives of K of C Advisors.

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#### **ITEM 4 - ADVISORY BUSINESS**

Knights of Columbus is a fraternal benefit society organized under the laws of the State of Connecticut. Knights of Columbus' primary business is that of a fraternal benefit society offering services, including insurance products, to its members directly and through affiliates. Knights of Columbus and its affiliates are not publicly traded entities, nor does Knights of Columbus have any principal owners.

K of C Advisors is a Delaware limited liability company and an indirect wholly-owned subsidiary of Knights of Columbus. K of C Advisors provides portfolio management services and investment advisory services for mutual funds, individual accounts (including accounts for individuals, institutions, pension plans, profit sharing plans, retirement plans, foundations, and corporations or other businesses not listed), and separately managed accounts. K of C Advisors also provides asset allocation services using proprietary asset allocation models to customers seeking asset allocation services.

K of C Advisors serves as investment advisor to certain series of The Advisors' Inner Circle Fund III (the "Trust"), an investment company registered under the Investment Company Act of 1940, as amended (the "Investment Company Act"). K of C Advisors serves as investment adviser to the following series of the Trust (the "Funds"): Knights of Columbus Limited Duration Bond Fund, Knights of Columbus Core Bond Fund, Knights of Columbus Small Cap Equity Fund, Knights of Columbus Large Cap Value Fund, Knights of Columbus Large Cap Growth Fund, and Knights of Columbus International Equity Fund.

K of C Advisors may provide investment advice to clients with respect to all types of equity securities, debt securities and alternative investments, including, but not limited to, common stocks, preferred stocks, corporate bonds, U.S. Government securities, mortgage-backed securities, convertible securities, bank loans, warrants, foreign securities, shares of investment companies including exchange-traded funds and closed-end funds, commercial paper, investments in private funds (including private equity funds, hedge funds and real estate funds), direct investments in real estate and other alternative investments. Among the alternative investment strategies that K of C Advisors may pursue on behalf of a client are: investments in private equity funds and mezzanine debt.

K of C Advisors provides portfolio management and investment advisory services to the Funds and our other clients. K of C Advisors generally provides investment advisory services for accounts on a discretionary basis. In providing such services to the Funds, K of C Advisors and, as applicable, a sub-advisor, may make investment decisions consistent with the United States Conference of Catholic Bishops' Socially Responsible Investing Guidelines (the "USCCB Guidelines"), and therefore, do not invest in companies involved with abortion, the manufacturing of contraception and/or pornography, embryonic stem cell research/human cloning, weapons of mass destruction, or other enterprises that conflict with the USCCB

Guidelines. Other accounts managed by K of C Advisors and, as applicable, a sub-advisor, may also be managed consistent with the USCCB Guidelines or related Catholic screens.

K of C Advisors tailors its services to each client by developing an investment portfolio with an asset mix designed based on the client's investment goals and consistent with investment guidelines established by the client. K of C Advisors meets with individual clients at least annually and provides performance reports at least quarterly to all clients.

### **The Funds.**

K of C Advisors provides, or oversees the provision of, investment advisory and portfolio management services for the Funds. Each Fund has different investment objectives, strategies, policies and restrictions that are set forth in the Fund's Prospectus(es) and Statement of Additional Information ("SAI").

For certain of the Funds, K of C Advisors directly manages the investment portfolio for the Fund, researching and selecting the specific portfolio securities purchased by the Fund in accordance with the investment objective, strategies, policies and restrictions set forth in the Fund's Prospectus(es) and SAI.

For certain of the Funds (or, if applicable, a portion thereof), K of C Advisors does not directly manage the investment portfolio for the Fund, but rather, oversees the provision of investment advisory and portfolio management services for the Funds by other registered investment advisors selected by K of C Advisors (each, a "Sub-Advisor" and collectively (as applicable), the "Sub-Advisors"). For a sub-advised Fund (or portion of a Fund using a Sub-Advisor), K of C Advisors generally does not research or select on a day-to-day basis the specific portfolio securities purchased by the Fund. Instead, K of C Advisors allocates the assets of the Fund among one or more Sub-Advisors. A Sub-Advisor has discretion to purchase and sell portfolio securities for the portion of a Fund that it manages within the parameters of the Fund's objectives, strategies, policies and restrictions set forth in the Fund's Prospectus(es) and SAI. Although a Sub-Advisor's activities are subject to K of C Advisors' general oversight, the firm does not evaluate the investment merits of the Sub-Advisor's individual investment selections on a day-to-day basis. K of C Advisors reviews the overall structuring of each Fund's portfolio, regularly monitors the performance of a Sub-Advisor and monitors its portfolio security selections for compliance with a Fund's investment objective, strategies, policies and restrictions, as well as regulatory requirements.

In selecting a Sub-Advisor, K of C Advisors is responsible for researching and evaluating whether the proposed Sub-Advisor has the capacity and expertise to manage particular classes of assets and/or investment styles. In evaluating a Sub-Advisor, K of C Advisors may use both qualitative and quantitative materials prepared internally, as well as information and assistance provided by independent third parties. K of C Advisors' review of a Sub-Advisor may include review of materials based on in-person meetings and other communications with the Sub-

Advisor; computer databases concerning investment results of the Sub-Advisor obtained by K of C Advisors; reviews of publicly available information contained in the financial press and other sources; Sub-Advisor-prepared information; and research and statistical materials prepared by others. K of C Advisors monitors a Sub-Advisor through an ongoing quantitative and qualitative evaluation of the Sub-Advisor's skills in managing assets subject to specific investment styles and strategies and periodically reports its findings to the Funds' Board of Trustees.

Any recommendation by K of C Advisors to hire or terminate a Sub-Advisor for the Funds is subject to the approval of the Funds' Board of Trustees and shareholders of the applicable Fund. K of C Advisors may in the future seek an exemptive order from the staff of the SEC permitting K of C Advisors, on behalf of the Funds, to hire new Sub-Advisors for the Funds without prior shareholder approval, subject to shareholder notification within 90 days of the hiring of such Sub-Advisor.

Currently, Boston Advisors, LLC ("Boston Advisors") has been engaged to serve as the sub-adviser to each client account (including any Funds) that pursues an investment strategy based on direct equity investments. Boston Advisors' principal place of business is located at One Liberty Square, 10th Floor, Boston, Massachusetts 02109. As of December 31, 2015, Boston Advisors had approximately \$4.8 billion in assets under management. Please refer to Item 8 for more information about Boston Advisors.

The investment objectives, investment policies and investment restrictions and limitations for each Fund are described in the Fund's Prospectus(es) and SAI, which can be found at **[www.kofc.org](http://www.kofc.org)**.

### **Model Portfolios.**

K of C Advisors may provide asset allocation services to clients through the use of proprietary asset allocation model portfolios (the "Model Portfolios"). Each Model Portfolio has been designed to pursue specific investment objective and investment strategy. Currently, Model Portfolios pursuing the following strategies are offered: Conservative, Moderate and Aggressive with a model between Conservative and Moderate and a portfolio between Moderate and Aggressive so that there is a smooth continuum of risk and reward strategies.

K of C Advisors currently offers five basic asset allocation Model Portfolios covering an array of risk orientations. The Model Portfolios are broadly allocated, ranging from a higher fixed income allocation to a lower fixed income allocation depending on the overall risk tolerance, goals and objectives of a specific individual client. Investment allocations will be specifically tailored to each asset allocation client but the five Model Portfolios will serve as a basis and guidelines for decision making.

For clients choosing asset allocation services, K of C Advisors will manage the client's account according to the Model Portfolio selected by the client. Managing clients' accounts according to

Model Portfolios helps to minimize conflicts of interests that may arise when K of C Advisors manages accounts with the same investment objective and strategy for different clients. K of C Advisors generally will not deviate from a client's Model Portfolio except in accordance with specific investment guidelines agreed to with the client.

### **Implemented Asset Allocation Services.**

For clients choosing our implemented asset allocation services (the "IAA Service"), K of C Advisors will provide customized asset allocation models and development of investment policy as well as other total plan functions. For clients choosing the IAA Service, K of C Advisors generally has full discretion to allocate the client's assets among the Funds and other K of C Advisors strategies in accordance with investment objectives and guidelines established by the client.

As of December 31, 2015, the amount of client assets managed on a discretionary basis was \$21.310 billion and there were no client assets managed on a non-discretionary basis.

## **ITEM 5 - FEES AND COMPENSATION**

Generally, K of C Advisors is paid a negotiated fee based on the market value of assets managed. K of C Advisors may also be paid a negotiated flat fee for certain services. K of C Advisors may change its standard fee schedules described herein. The fee schedule for a client's account may vary from the standard fee schedule described below due to factors such as, for example, the applicable investment strategy or benchmark, the size of the account, the client's individual servicing or reporting requirements and other negotiated differences in client agreements.

**Mutual Funds:** The investment advisory fee payable to K of C Advisors by the Funds is computed and accrued daily, and paid quarterly, as a percentage of a Fund's average daily net assets. The current contractual investment advisory fee payable to K of C Advisors by each of the Funds is as follows:

<b>Fund</b>	<b>Fee</b>
Knights of Columbus Limited Duration Bond Fund	<b>0.40%</b> per annum of average daily net assets
Knights of Columbus Equity Bond Fund	<b>0.40%</b> per annum of average daily net assets
Knights of Columbus Small Cap Core Fund	<b>0.725%</b> per annum of average daily net assets
Knights of Columbus Large Cap Value Fund	<b>0.60%</b> per annum of average daily net assets

Knights of Columbus Large Cap Growth Fund	<b>0.60%</b> per annum of average daily net assets
Knights of Columbus International Equity Fund	<b>0.90%</b> per annum of average daily net assets

For certain of the Funds (or, if applicable, a portion thereof), a portion of the advisory fee is paid to the applicable Sub-Advisor.

**Individual and Separately Managed Accounts:** Investment advisory fees payable to K of C Advisors are dependent on the type of client account. Additionally, fees with respect to separately managed accounts are generally negotiable. The standard investment advisory fee for individual or separate accounts is follows:

<b>Standard Fee</b>
<p><b>Fixed Income:</b>  0.40% on amounts up to \$50 million  0.30% on amounts above \$50 million</p> <p><b>Equity:</b></p> <p style="padding-left: 40px;"><b>* Large Cap Growth or Value</b>  0.65% on amounts up to \$25 million  0.60% on amounts between \$25 million and \$50 million  0.55% on amounts between \$50 million and \$100 million  0.50% on amounts above \$100 million</p> <p style="padding-left: 40px;"><b>* Small Cap</b>  0.90% on amounts up to \$25 million  0.85% on amounts between \$25 million and \$50 million  0.80% on amounts above \$50 million</p> <p style="padding-left: 40px;"><b>* International</b>  0.80% on amounts up to \$25 million  0.70% on amounts between \$25 million and \$50 million  0.65% on amounts between \$50 million and \$100 million  0.50% on amounts above \$100 million</p>

Individual and separate accounts are generally subject to a \$50 million account minimum for fixed income and \$30 million for domestic equity. International equity separate account portfolios require \$40 million. Investment management fees are calculated and billed in arrears on a quarterly basis by K of C Advisors. Fees will be billed directly to the client.



**Model Portfolios:** K of C Advisors receives investment advisory fees from clients making use of its Model Portfolios calculated on a percentage of assets under management and generally ranging from 0.25% to 0.50% per annum.

**Implemented Asset Allocation Services:** K of C Advisors current standard fee schedule for the IAA Service is:

- 0.50% on amounts up to \$25 million
- 0.35% on amounts above \$25 million up to \$50 million
- 0.25% on amounts above \$50 million.

The fees payable to K of C Advisors by a client account for IAA Services are exclusive of any investment advisory or other fee that K of C Advisors may receive from the Funds. Accordingly, in addition to the fee for the IAA Services, client accounts using the IAA Services will be responsible for their pro rata share of any investment advisory or management fee paid by the Funds in which they are invested.

**General Policies:** K of C Advisors does not receive commissions either directly or indirectly for the purchase or sale of securities by clients. Clients pay commissions and other transaction charges to brokers for executing transactions placed by K of C Advisors. Certain brokerage firms, acting as custodian of client assets, may charge additional custodial fees. K of C Advisors may place orders for the execution of transactions through brokers and dealers as K of C Advisors may select, and a client may pay a commission on transactions in excess of the amount of commissions another broker or dealer would have charged. Please refer to Item 12 in this Brochure for further discussion of K of C Advisors' brokerage practices.

When deemed appropriate, K of C Advisors may invest on behalf of its individual and separately managed accounts in shares of the Funds. K of C Advisors receives investment advisory fees from these Funds for providing investment advisory services. In such cases, a client will not be charged an additional management fee by K of C Advisors for the amount of the client's account that is invested in the Funds.

In limited cases, client accounts may be invested in shares of unaffiliated investment companies (such as open-end mutual funds), closed-end funds and exchange traded funds. In such cases, clients will be obligated to pay both a fee to K of C Advisors and the allocable portion of the investment advisory or management fee that is paid by such unaffiliated investment companies.

Although the terms of agreements with individual clients may vary, generally, fees will be calculated and billed in arrears on a quarterly basis. K of C Advisors does not collect fees in advance from any client and will not deduct fees from any client account.

Your custodian is your account's designated valuation agent. K of C Advisors will use market values recorded in its system, obtained daily from a recognized independent source, to calculate your investment advisory fee, unless you require us to use your custodian's records for this

purpose. K of C Advisors will not deduct its investment advisory fees from a client's account. You may instruct your qualified custodian to deduct our fees on receipt of an invoice from us, if you receive a copy of the invoice.

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

#### **ITEM 6 - PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

As a registered investment adviser under the Advisers Act, K of C Advisors is under an obligation to treat each of its clients fairly. As a result, K of C Advisors has adopted an allocation policy that sets forth its procedures when allocating an investment opportunity among accounts. Pursuant to this policy, K of C Advisors makes allocation determinations based upon the appropriateness of the investment for the client. The allocation policy prohibits K of C Advisors from favoring one client over another client. K of C Advisors' allocation policy also prohibits its investment professionals from allocating or re-allocating investments to enhance the performance of one account over another account or to favor any affiliated account or any other account in which an employee has any interest. In instances when K of C Advisors has clients with overlapping investment mandates and objectives, it will generally allocate investments proportionally among those clients. In cases where K of C Advisors does not proportionally allocate investments among client accounts with overlapping mandates, it documents its reasoning.

Neither K of C Advisors nor any of its supervised persons accepts performance-based fees.

#### **ITEM 7 - TYPES OF CLIENTS**

As stated earlier in Item 4, K of C Advisors provides portfolio management and investment advisory services to mutual funds, individual accounts (including accounts for individuals, institutions, pension plans, profit sharing plans, retirement plans, foundations, and corporations or other businesses not listed), and separately managed accounts.

Minimum initial investment amounts to establish an individual or separate account depend on the investment strategy selected. Minimum amounts may be waived in the discretion of K of C Advisors. The current standard minimum account size for individual and separate accounts are as follows:

Fixed Income	\$50 million
Domestic Equity	\$30 million
International Equity	\$40 million

#### **ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

The fixed income strategies will seek to overweight or underweight sectors of the fixed income market based on K of C Advisors analysis of the relative attractiveness. Issue selection will be

bottom up and focused on identifying fixed income instruments that offer strong relative value versus their sector and the overall fixed income market. Investments will mainly be in investment grade securities including, but not limited to, U.S. Treasury and agency issues, corporate bonds, asset backed securities, and commercial and residential mortgage backed securities (including collateralized mortgage obligations). Generally, K of C Advisors will not invest client accounts in high-yield securities but may invest client accounts in down-graded securities up to 10% of client's portfolio.

The equity strategies are generally not managed directly by K of C Advisors on a day-to-day basis; rather, K of C Advisors engages a Sub-Advisor for each client account (including the Funds) choosing direct equity investments as an investment strategy. As previously noted, each such client account (including each Fund pursuing an equity investment strategy) is currently sub-advised by Boston Advisors.

As indicated under Item 4 above, in providing such services to the Funds, K of C Advisors and, as applicable, a Fund's Sub-Advisor make investment decisions consistent with the USCCB Guidelines and, therefore, do not invest in companies involved with abortion, contraception, pornography, stem cell research/human cloning, weapons of mass destruction, or other enterprises that conflict with the USCCB Guidelines.

The USCCB Guidelines may also be used in providing portfolio management or investment advisory services to accounts/clients other than Funds if the use of such screens is consistent with the investment strategies and guidelines agreed to by the client.

### **Specific Investment Strategies**

On behalf of its clients, K of C Advisors manages portfolios including investments in equity securities, fixed income securities and alternatives.

**Equity Securities.** Many of our investment strategies focus mainly or in part on equity securities. Equity securities can be of various types, such as common stock or preferred stock.

**Fixed Income Securities.** Many of our investment strategies focus mainly or in part on fixed income securities, which can include a wide array of debt instruments, including investment grade debt, government securities, corporate debt, money market instruments, mortgage-backed securities, and others.

**Alternative Investment Strategies.** Many of our investment strategies focus mainly or in part on alternative investment strategies that have historically been operated in the private fund space. Alternative investments may be pursued in various forms, such as ETF or closed-end fund trading strategies. Among the alternative investment strategies that K of C Advisors may pursue on behalf of a client are: investments in private equity funds and mezzanine debt.

## Risks

Investing in securities involves risk of loss that clients should be prepared to bear. Set forth below are the key investment risks associated with K of C Advisors' significant investment strategies and methods of analysis as well as with many of the investment techniques or instruments that may be used. Any of these following risks, among others, could affect performance or cause an investment to lose money or to underperform market averages.

We do not guarantee the investment performance of any of the securities or investment instruments in any of our investment strategies. Past performance is not an indication of future results.

### General Investment Risks

**Catholic Investing.** Because investments for the Funds and certain other client accounts are selected in part based upon religious criteria, the return on these investments may be lower or higher than investments based solely on fundamental security analysis.

**Company.** The price of a given company's stock could decline or underperform for many reasons including, among others, poor management, financial problems, or business challenges. If a company declares bankruptcy or becomes insolvent, its stock could become worthless.

**Convertible Securities.** Convertible securities are securities that are convertible into or exercisable for common stock at a stated price or rate. Convertible securities are subject to the usual risks associated with debt securities, such as interest rate and credit risk. In addition, because convertible securities react to changes in the value of the stocks into which they convert, they are subject to market risk.

**Currency.** To the extent that a client invests directly in foreign (non-U.S.) currencies or in securities denominated in or that trade in foreign currencies, it is subject to the risk that those currencies will decline in value relative to the U.S. dollar or, in the case of hedging positions, that the U.S. dollar will decline in value relative to the currency being hedged.

**Cyber Attacks.** As with any entity that conducts business through electronic means in the modern marketplace, K of C Advisors, the Sub-Advisors, the Funds, and their service providers, may be susceptible to operational and information security risks resulting from cyber attacks. Cyber attacks include, among other behaviors, stealing or corrupting data maintained online or digitally, denial of service attacks on websites, the unauthorized monitoring, release, misuse, loss, destruction or corruption of confidential information, unauthorized access to relevant systems, compromises to networks or devices that K of C Advisors, a Sub-Advisor, the Funds and their service providers use to service client accounts or the Funds' operations, operational disruption or failures in the physical infrastructure or operating systems that support K of C Advisors, a Sub-Advisor, the Funds and their service providers, or various other forms of cyber

security breaches. There can be no assurance that the K of C Advisors, a Sub-Advisor, the Funds, and their service providers will not suffer losses relating to cyber attacks or other information security breaches in the future.

**Derivative Instruments.** Derivative instruments are subject to a number of risks, including the risk of changes in the market price of the underlying securities, credit risk with respect to the counterparty, and risk of loss due to changes in interest rates and liquidity risk. The use of certain derivatives may also have a leveraging effect which may increase volatility and reduce returns.

**Emerging Market Investments.** Investing in emerging market securities involve unique risks, such as exposure to economies less diverse and mature than that of US or more established foreign markets. These markets are often in developing countries and tend to be more volatile and risky than more established trading markets. Economic or political instability may cause larger price changes in emerging or frontier market securities than in securities of issuers based in more developed foreign countries. In addition, the instruments and investments of emerging markets often carry higher credit and/or company risks.

**Foreign Investments.** Investing in foreign (non-U.S.) securities may result in more rapid and extreme changes in value than an investment exclusively in securities of U.S. companies due to smaller markets, differing reporting, accounting and auditing standards, nationalization, expropriation or confiscatory taxation, foreign currency fluctuations, currency blockage, political changes or diplomatic developments.

**Liquidity.** If a security is illiquid, K of C Advisors might be unable to sell the security at a time when desired, and the security could have the effect of decreasing the overall level of a fund's liquidity.

Further, the lack of an established secondary market may make it more difficult to value illiquid securities, which could vary from the amount realized upon disposition. K of C Advisors may make investments that become less liquid in response to market developments or adverse investor perception. A client could lose money if it cannot sell a security at the time and price that would be most beneficial to it.

**Market.** Stock prices are volatile and are affected by the real or perceived impacts of such factors as economic conditions and political events. The stock market tends to be cyclical, with periods when stock prices generally rise and periods when stock prices generally decline. Any given stock market segment may remain out of favor with investors for a short or long period of time, and stocks as an asset class may underperform bonds or other asset classes during some periods.

**Market Capitalization.** Stocks fall into three broad market capitalization categories—large, mid and small. Investing primarily in one category carries the risk that, due to current market conditions, that category may be out of favor with investors. If valuations of large-capitalization

companies appear to be greatly out of proportion to the valuations of mid- or small-capitalization companies, investors may migrate to the stock of mid- and small-sized companies causing an investment in these companies to increase in value more rapidly than an investment in larger, fully-valued companies. Investing in mid- and small-capitalization companies may be subject to special risks associated with narrower product lines, more limited financial resources, smaller management groups, and a more limited trading market for their stock as compared with larger companies. As a result, stock of mid- and small-capitalization companies may decline significantly in market downturns.

### **Investment Strategy Risks**

In addition to the risks involved with various instruments and markets noted above, various investment strategies also may entail unique risks. Several of these are set forth below. In all cases, a client should review applicable offering documents and/or other materials, which will generally have more detailed information about relevant risks.

**Alternatives.** Alternative investment strategies may present risks such as risks relating to market, volatility, leverage, liquidity and counterparty creditworthiness, among others.

**Equities.** Equity securities are subject to stock market risks, such as fluctuations in price or liquidity due to earnings and other developments affecting a particular company or industry, stock market trends and general economic conditions, investor perceptions, interest rates and other factors beyond the control of K of C Advisors. Stock prices tend to move in cycles and may experience periods of turbulence and instability.

**Emerging Markets.** K of C Advisors has a number of Funds or accounts that invest in emerging market debt or equity. Investing in emerging market securities involve unique risks, such as exposure to economies less diverse and mature than that of US or more established foreign markets. These markets are often in developing countries and tend to be more volatile and risky than more established trading markets. Economic or political instability may cause larger price changes in emerging or frontier market securities than in securities of issuers based in more developed foreign countries. In addition, the instruments and investments of emerging markets often carry higher credit and/or company risks.

**Fixed Income.** Fixed income securities are subject to certain risks such as credit risk, interest rate risk, prepayment and extension risk, liquidity risk, among others. When interest rates rise, the price of fixed income securities generally decline. Securities with longer maturities and lower credit ratings are generally more sensitive to interest rate changes than shorter-term, higher grade securities. Despite K of C Advisors' opinion of the intrinsic value of a company, the price of that security may decline.

**Mortgage-Backed Securities.** A number of our strategies employ mortgage-backed securities, which are securities that directly or indirectly hold pools of residential or commercial mortgages. In addition to interest rate and credit risk, these instruments also involve prepayment risk, which

is the risk that borrowers prepay their mortgages faster than anticipated.

**Real Estate.** Various K of C Advisors strategies concentrate in real estate investments and may employ sub-advisors. Real estate markets tend to be less liquid than other markets and also tend to have more subjectivity in valuation. In addition, real estate investments can be especially prone to regional or general economic cycles.

#### **ITEM 9 - DISCIPLINARY INFORMATION**

There is no legal or disciplinary event that is material to K of C Advisors' business or its management.

#### **ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

K of C Advisors is not affiliated with any other entity that is in the financial services industry. Neither K of C Advisors nor any of its management persons have registered, or have an application pending to register, as a broker-dealer or as a registered representative of a broker-dealer. Certain employees of K of C Advisors are registered representatives of Foreside Fund Services, LLC, for purposes of supporting the marketing and distribution efforts of the Funds.

Neither K of C Advisors nor any of its management persons are registered, or have an application pending to register, as a futures commissions merchant, commodity pool operator or commodity trading advisor, or as an associated person of any such entity.

*Investment Companies:* K of C Advisors serves as investment adviser to the Funds, which are series of The Advisors' Inner Circle Fund III, a Delaware statutory trust registered under the Investment Company Act. K of C Advisors also provides certain administrative and accounting services to the Funds and the Trust.

*Manager-of-Managers:* As discussed in Item 4 above, for certain of the Funds, K of C Advisors functions as a manager-of-managers, meaning that K of C Advisors hires Sub-Advisors to perform asset management services in a subadvisory capacity for the Funds. K of C Advisors does not recommend or select other investment advisors for its clients that pay compensation directly or indirectly to K of C Advisors. Any recommendation by K of C Advisors to hire or change a Sub-Advisor for the Funds is subject to the approval of the Funds' Board of Trustees and shareholders of the applicable Fund. Any Sub-Advisor may be terminated by the Board of Trustees or shareholders of a Fund.

Currently, Boston Advisors has been engaged to serve as the sub-adviser to each client account (including any Funds) that pursue an investment strategy based on direct equity investments. Knights of Columbus has a minority ownership interest in Boston Advisors.

*Insurance Companies:* Knights of Columbus, a not-for-profit fraternal benefit society, is licensed to conduct business as in all states and the District of Columbia and offers traditional

life insurance products and variable annuity and variable life insurance contracts. The Knights of Columbus also offers to its members and their families a variety of fixed annuities, long term care and disability insurance to members residing in the United States or Canada.

*Other:* Certain supervised persons (as defined under the Advisers Act) of K of C Advisors assist in managing the portfolios of a foundation and the pension plan sponsored by Knights of Columbus.

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

K of C Advisors is committed to providing investment guidance to clients in a manner that puts the clients' interests first. In accordance with applicable federal securities laws, K of C Advisors has adopted a Code of Ethics (the "Code") describing the duties of its employees in connection with personal trading and participation in client transactions.

K of C Advisors may serve as the investment manager to other client accounts, as well as the Funds. K of C Advisors may give advice and take action with respect to any Funds or accounts they manage, or for their own account, that may differ from action taken by them on behalf of other Funds or client accounts. K of C Advisors is not obligated to recommend, buy or sell, or to refrain from recommending, buying or selling, any security that it or its Access Persons (as defined under the federal securities laws) may buy or sell for their own accounts or for the accounts of their clients. K of C Advisors is not obligated to refrain from investing in securities held by Funds or accounts that they manage except to the extent that such investments violate the Code adopted by K of C Advisors or the mutual funds that they manage (i.e., the Funds) or other firm wide policy (e.g., insider trading policy).

From time to time, employees and principals of K of C Advisors or any other related persons may have interests in securities owned by or recommended to K of C Advisors' advisory clients (or securities related to those securities). As these situations may represent a potential conflict of interest (possibly encouraging advisory personnel to put their economic interests ahead of K of C Advisors' clients), K of C Advisors has adopted procedures relating to personal securities transactions and insider trading, which are designed to mitigate these potential conflicts.

The Code governs personal transactions by Access Persons and helps prevent the interests of Access Persons from conflicting with the interests of K of C Advisors' clients. The Code generally restricts the purchase and sale of certain reportable securities by portfolio managers within seven days before or after execution of a transaction in any such security for the accounts of clients they manage. In addition, Access Persons may not engage in a personal transaction in any nonexempt reportable security for which any order for a client is pending until such order is executed or withdrawn. All Access Persons must also request pre-clearance in order to make personal securities transactions in certain reportable securities, such as shares offered in an initial public offering. Further, all Access Persons must certify to quarterly reports of their personal



transactions within 30 days of the end of each calendar quarter (or, in the alternative, the Access Person may have his/her K of C Advisors-approved broker provide confirmations or periodic statements to K of C Advisors Compliance). A copy of the Code is available to any client or prospective client upon request by calling 203-752-4077. In addition, K of C Advisors has policies in place that require all Access Persons and all Supervised Persons of K of C Advisors to comply with ethical restraints relating to, among other things, giving gifts to, and receiving gifts from, service providers.

K of C Advisors has also adopted policies and procedures prohibiting insider trading. K of C Advisors and its related persons may, from time to time, come into possession of material nonpublic and other confidential information which, if disclosed, might affect an investor's decision to buy, sell or hold a security. K of C Advisors and its related persons are prohibited from improperly disclosing or using such information for their own personal benefit or for the benefit of any other person, regardless of whether such other person is a client of K of C Advisors. Accordingly, should such persons come into possession of material nonpublic or other confidential information with respect to any company, they are prohibited from communicating such information to, or using such information for their own benefit or the benefit of, their respective clients.

Any officer, director, elected manager or employee of K of C Advisors subject to the Code who fails to observe the Code and insider trading policy risks being subject to sanctions up to and including dismissal and personal liability.

## **ITEM 12 - BROKERAGE PRACTICES**

In selecting broker-dealers to execute the purchase and sale of securities for clients, K of C Advisors seeks best execution, taking into account such factors as price (including the applicable brokerage commission or dealer spread), execution capability, financial responsibility and responsiveness of the broker-dealer, and the brokerage and research services provided by the broker-dealer. K of C Advisors has not and does not intend to enter into any soft dollar arrangement with any broker-dealer. To the extent that K of C Advisors does enter into soft dollar arrangements with any broker-dealer, a client may pay higher commissions than could be obtained from other broker-dealers if K of C Advisors determines in good faith that the commission is reasonable in relation to the value of any brokerage and research services provided within the "safe harbor" provided by Section 28(e) of the Securities Exchange Act of 1934. These types of research products and services typically assist investment advisers in terms of the adviser's overall investment responsibilities to the adviser's clients; however, each product or service received may not benefit all clients equally. The receipt of "soft dollar" benefits may create a conflict of interest by supplementing K of C Advisors' research at no cost to K of C Advisors or by providing an incentive for K of C Advisors to select or recommend a broker-dealer based upon its interest in receiving research products or services, rather than receiving the most favorable price available. However, K of C Advisors does not have any intention to enter

into any soft dollar arrangements with any broker-dealers in the near future.

Individual and separately managed accounts may request that K of C Advisors use a specific broker. The use of a specific broker at the client's direction may cost the client more money because it may limit K of C Advisors' ability to achieve most favorable execution and negotiate commissions with other brokers on the client's behalf. K of C Advisors will review the quality of services and execution skills of the broker selected by the client and advise the client of any unsatisfactory results and may refuse to conduct business with that broker. A client for whom K of C Advisors uses a client-requested broker may pay higher brokerage commissions to that broker because K of C Advisors may not be able to aggregate orders to reduce transaction costs, or the client may receive less favorable prices. In addition, such clients may not have the opportunity to participate in initial public offerings, which are typically allocated among clients on a pro rata basis.

K of C Advisors has adopted an Allocation and Aggregation of Investment Opportunities Among Client Accounts Policy and Procedures that permit it to aggregate or "bunch" orders being placed for execution at the same time for accounts of two or more clients where it believes this action is consistent with its duty to seek best execution and in the best interests of clients. This practice may enable K of C Advisors to obtain more favorable executions and/or net prices for the aggregated order. K of C Advisors will not favor any client account over any other client account, and each account that participates in an aggregated order will participate at the average share price for all transactions placed by K of C Advisors in that security on a given business day, with all transaction costs shared on a pro rata basis. Transactions will not be aggregated with respect to any client if the practice is prohibited by or inconsistent with that client's investment advisory agreement with K of C Advisors.

### **ITEM 13 - REVIEW OF ACCOUNTS**

Individual accounts, asset allocation accounts and separately managed accounts are reviewed at least quarterly based upon the account's annual cycle and are evaluated in terms of account investment objectives and K of C Advisors' evolving economic and market outlook. During the review process, individual assets held in client accounts are reviewed and evaluated in terms of their ability to contribute to overall objectives.

Additional reviews are triggered by any of the following: (1) changes in account investment objectives guidelines, (2) changes in K of C Advisors' investment outlook and (3) changes related to individual assets held in the client account. The reviews are conducted by the applicable Portfolio Manager responsible for the account, as well as by the President and Chief Investment Officer.

Written asset statements are provided to individual, asset allocation and separately managed accounts quarterly. Such statements include a listing of the individual assets by category, the par value or number of shares held, the cost, current market value, and estimated annual income.

From time to time, K of C Advisors may provide reports to clients outlining its economic and investment outlook.

The Funds are generally reviewed weekly by the applicable Portfolio Manager or Sub-Advisor. A security may be sold when it appreciates and is no longer undervalued, when a company fails to achieve its expected results or when economic factors or competitive or other developments impair its intrinsic value.

#### **ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION**

K of C Advisors does not receive an economic benefit from anyone other than clients for providing investment advice or other advisory services to its clients.

K of C Advisors and its related persons do not directly or indirectly compensate any person for client referrals.

#### **ITEM 15 - CUSTODY**

K of C Advisors and its employees do not take custody of client funds and securities or serve as custodian for any clients. Rule 206(4)-2 under the Advisers Act (the “Custody Rule”) provides that an investment adviser would be deemed to have custody of client funds and securities if the adviser has been granted authority by clients to withdraw advisory fees directly from client accounts. K of C Advisors does not currently accept authority to deduct its investment advisory fee from a client’s account and, accordingly, is not deemed to have custody of client funds and securities under the Custody Rule.

Securities and funds in client accounts are maintained with a qualified custodian and held in the client’s name. Qualified custodians holding client assets are instructed to provide at least quarterly account statements to clients. Clients should carefully review those statements. The assets of the Funds are custodied by Brown, Brothers Harriman & Co.

Clients are urged to compare the account statements they receive from the qualified custodian with the account statements they receive from K of C Advisors.

#### **ITEM 16 - INVESTMENT DISCRETION**

K of C Advisors has investment discretion with respect to the Funds under the terms of the advisory agreements with the Funds. Additionally, K of C Advisors may have investment discretion for certain other client accounts, including those using the IAA Service. Generally, K of C Advisors has limited investment discretion for clients making use of the Model Portfolios. When K of C Advisors has investment discretion, it will typically have the full power to supervise and direct the investment of client accounts and to make and implement investment decisions, all without prior consultation with the client, in accordance with such investment objectives, guidelines and parameters as determined by the client or, in the case of the Funds, in

accordance with the investment policies and limitations described in each Fund's Prospectus(es) and SAI.

#### **ITEM 17 - VOTING CLIENT SECURITIES**

In most cases, K of C Advisors will not vote proxies related to client securities. Each client other than the Funds will generally retain exclusive voting authority over the securities in the client's account and K of C Advisors will have no role in proxy voting other than to forward proxies received to the applicable client. K of C Advisors may assume responsibility for voting proxies in limited circumstances, such as on behalf of Funds; provided, however, that in each such case K of C Advisors will delegate such authority to the applicable sub-advisor for a Fund in accordance with the terms of the applicable investment advisory agreement.

A copy of K of C Advisors' proxy voting policies and procedures or information as to how proxies were voted for securities held in a client account will be provided to any current or prospective client upon request upon request to:

Knights of Columbus Asset Advisors LLC  
Attn: Chief Compliance Officer  
One Columbus Plaza  
New Haven, CT 06510-3326  
Telephone: (203) 752-4077

#### **ITEM 18 - FINANCIAL INFORMATION**

K of C Advisors does not require or solicit prepayment of fees from any client nor has it been the subject of a bankruptcy petition at any time during the past ten years. K of C Advisors currently does not have any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to its clients.

#### **ITEM 19 - REQUIREMENTS FOR STATE-REGISTERED ADVISERS**

Not applicable.

**Form ADV Part 2B  
Brochure Supplement**

**Knights of Columbus Asset Advisors LLC**

One Columbus Plaza  
New Haven, CT 06510-3326  
(203) 752-4077

**This brochure supplement provides information about our investment team that supplements the Knights of Columbus Asset Advisors LLC Brochure. You should have received a copy of that Brochure. Please contact Michael P. Votto at (203) 752-4077 if you did not receive Knights of Columbus Asset Advisors LLC's Brochure or if you have any questions about the contents of this supplement.**

**Date: March 30, 2016**

## **Item 1. Educational Background and Business Experience**

The supervised persons of Knights of Columbus Assets Advisors LLC (“K of C Advisors”) are as follows:

Anthony V. Minopoli, born in 1968, received a BS and an MBA from the University of Bridgeport. Mr. Minopoli is currently the President and Chief Investment Officer of K of C Asset Advisors. Previously he was the Chief Investment Officer of Knights of Columbus since 2005. Prior to joining Knights of Columbus, Mr. Minopoli was an investment consultant with Evaluation Associates Incorporated for 18 years.

E. Neill Jordan, born in 1960, joined the Knights of Columbus in 1987 and was named Vice President, Fixed Income in 1995. His portfolio management responsibilities include the residential and commercial mortgage-backed, asset-backed, government and agency sectors. From 1992-1995, Mr. Jordan served as Manager, Public Bonds with portfolio management responsibilities for all sectors of the public bond market. Prior to joining the Knights of Columbus, Mr. Jordan was an analyst at Conning and Company in Hartford, CT.

Mr. Jordan received his BS in Finance from the University of Connecticut in 1983. He was awarded his CFA charter in June 1989 and is a member of the CFA Society Hartford.

Gilles A. Marchand, born in 1964, has been the Portfolio Manager of Credit Investments for the Knights of Columbus since March 2010. Prior to this, he was the Chief Investment Officer for Global Plus Investment Management (GPIM) from 2007 until he joined the Knights of Columbus. Before GPIM, Mr. Marchand founded the high yield group at Aladdin Capital in 2001 and was the senior portfolio manager responsible for managing nine CLO funds and three open ended funds with over \$4 billion in assets under management. From 1996-2000, Mr. Marchand co-managed ten high yield mutual funds and a CLO for Merrill Lynch Asset Management aggregating \$11 billion in assets. From 1990-1996, he was a credit analyst at Babson Capital reviewing private placements, high yield bonds, convertible bonds and corporates for the general account, 2 public mezzanine funds and a CDO.

Mr. Marchand received his MBA from Cornell University and is a member of the CFA Institute and the Hartford CFA Society.

Michael P. Votto, born in 1977, received a BA from Union College and JD from the Syracuse University College of Law. He is currently the General Counsel and Chief Compliance Officer of K of C Advisors having spent the previous five years as Associate General Counsel of Knights of Columbus focusing on investment and other commercial transactions as well as corporate structuring. Prior to joining Knights of Columbus in 2009, Mr. Votto practiced in the areas of commercial real estate and corporate law at Goodwin Procter LLP in Boston and Schulte Roth & Zabel LLP in New York City. Mr. Votto is admitted to practice law in the State of New York

and Commonwealth of Massachusetts and an Authorized House Counsel in the State of Connecticut.

Thomas P. Duffy, born in 1967 joined K of C Advisors in 2015 to lead sales and marketing efforts and to assist in administering the organization's growth. Prior to that he was the Chief Financial Officer for the Archdiocese of Washington (D.C.) with responsibility for the investment, real estate, risk management, human resources, information technology, and finance functions. Thom also served in senior management roles at Bank of America where he earned a U.S. patent, UBS/PaineWebber, and Prudential Investments. Thom received a BS from Boston College in Finance and Marketing, and an MBA from the University of Pittsburgh with a concentration in strategic planning and quantitative analysis. Thom serves in a variety of community leadership roles including board positions for multiple Catholic foundations' investment committees, as well as Catholic cemeteries, and has spoken nationally on financial issues faced by Catholic schools.

## **Item 2. Disciplinary Information**

As a registered investment adviser, K of C Advisors is required to disclose all material facts regarding any legal or disciplinary events that would materially affect an evaluation of K of C Advisors or the integrity of its management. However, information required by this Item is not applicable to K of C Advisors.

## **Item 3. Other Business Activities**

Not applicable.

## **Item 4. Additional Compensation**

Not applicable.

## **Item 5. Supervision**

K of C Advisors has adopted a Code of Ethics that sets forth standards of ethical conduct and requires compliance with federal securities laws. The Code of Ethics requires that designated personnel report personal securities holdings and transactions and obtain preapproval of certain investments. K of C Advisors has also adopted an insider trading policy that restricts the use and communication of material nonpublic information. K of C Advisors will provide a copy of the Code of Ethics and insider trading policy to clients and prospective clients upon request. The fundamental position of the Registrant is that, in effecting personal securities transactions, personnel of K of C Advisors must place the interests of clients ahead of their own pecuniary interests at all times.

Clients with questions or concerns should contact Michael P. Votto, Chief Compliance Officer of K of C Advisors, at (203) 752-4077.