

## **ITEM 1: COVER PAGE FOR FORM ADV PART 2(A) BROCHURE**

### **ULLICO INVESTMENT ADVISORS, INC.**

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**March 30, 2020**

This brochure provides information about the qualifications and business practices of Ullico Investment Advisors, Inc. If you have any questions about the contents of this brochure, please contact us at (202) 962-8951 or at [RLaRocqueuc@ullico.com](mailto:RLaRocqueuc@ullico.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or any state securities authority.

Additional information about Ullico Investment Advisors, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Any reference in this brochure to "registered" or "registration" with the SEC or any regulatory agency does not imply a certain level of skill or training.

## ITEM 2: MATERIAL CHANGES TO FORM ADV PART 2A BROCHURE

Since our last annual amendment in March 2019 the Brochure was amended to:

1. Wellington Management Company, LLP was terminated as a sub-adviser for Small Cap Non-US Equity strategy in Ullico Diversified International Equity Fund, L.P., Ullico International Small Cap Fund L.P. and Ullico International Fund effective August 1, 2019
2. American Century Investment Management, Inc. was hired as a sub-adviser to Ullico Diversified International Equity Fund, L.P. and Ullico International Small Cap Fund L.P. to replace Wellington Management Company, LLP effective August 1, 2019
3. Dimensional Fund Advisors, L.P. was hired as a sub-adviser to manage a new allocation to emerging markets for Ullico Diversified International Equity Fund, L.P. effective August 1, 2019
4. Ullico International Fund will close and the Fund investors have been offered the opportunity to transfer their investment to Ullico Diversified International Equity Fund, L.P.
5. Ullico Diversified International Equity Fund, L.P.'s allocation of assets was updated to include a new 10% allocation to emerging markets.
6. Updated Item C. Strategy Risk of Loss for Core Fixed Income, Intermediate Duration Fixed Income and Cash Plus
7. Added Union Labor Life Separate Account C
8. Terminated Broad Market Fixed Income Strategy and a sub-adviser Amundi Pioneer Institutional Asset Management, Inc. as of December 6, 2019
9. Liquidated Ullico International Fund as of February 7, 2020
10. UIF GP, LLC, Ullico ISCF, LLC and Ullico DIFE, LLC, the General Partners of the Funds wholly owned by UIA are filing as Relying Advisers in reliance upon the SEC staff's no-action letter to the American Bar Association dated January 18, 2012
11. The fee schedule for Intermediate Duration Fixed Income Strategy was changed to 25 basis points on all assets.

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## ITEM 4: ADVISORY BUSINESS

### A. Advisory Firm Description

Ullico Investment Advisors, Inc. (“UIA” or “Firm”) registered with the SEC in April 1990 as an investment adviser. UIA is 100% owned by Ullico Inc., a privately held stock company. The stock of Ullico Inc. is primarily owned by pension funds and other union-affiliated organizations.

### B. Advisory Services Description

UIA provides investment management services to institutional investors through (i) separately managed accounts and (ii) privately offered commingled investment funds that are exempt from the registration requirements of the Securities Act of 1933, as amended and the Investment Company Act of 1940, as amended (“Funds”). UIA also provides investment advice through Ullico Retirement Solutions, a financial product solution and investment platform, to defined contribution, individual account retirement plans offered by employers that employ bargaining unit employees, labor organizations that employ individuals in furtherance of their exempt activities, and trustees or other sponsors of multiemployer plans. With certain exceptions, UIA has hired unrelated and related sub-advisers to research and select securities and execute trades for the separately managed accounts and the Funds. For the Ullico J for Jobs Collective Investment Fund (“CIF”), UIA has been hired as an investment adviser for a collective group trust sponsored by Hand Benefits & Trust Company. In the case of Ullico Retirement Solutions, UIA has hired Acropolis Investment Management LLC (“Acropolis”) to assist in the delivery of investment advice. UIA requires that all of their sub-advisers register with the SEC as investment advisers. Ullico Infrastructure Management Company, LLC and UIA Investment Management, LLC which are UIA subsidiaries, and UIF GP, LLC, Ullico ISCF, LLC and Ullico DIEF, LLC which are the General Partners of the Funds wholly owned by UIA, are filing as Relying Advisers in reliance upon the SEC staff’s no-action letter to the American Bar Association dated January 18, 2012. UIA currently has sub-advisory agreements with:

- A. Brandywine Global Investment Management LLC;
- B. ClearBridge Investments, LLC;
- C. William Blair Investment Management, LLC;
- D. LMCG Investments, LLC;
- E. American Century Investment Management, Inc.;
- F. Acropolis Investment Management, LLC;
- G. Ullico Infrastructure Management Company, LLC;
- H. UIA Investment Management, LLC;
- I. Dimensional Fund Advisors, L.P.

### C. Tailoring Advisory Services

For clients with separately managed accounts, UIA tailors advisory services to the individual needs of the clients. Clients with separately managed accounts may impose restrictions on investing in certain securities or types of securities. The investment advisory services provided by UIA to the investors invested in the Funds are outlined in the each Fund’s private placement memorandum or offering brochure, limited partnership or trust agreement, subscription or offering documents, or other related documents. Investors invested in UIA’s Funds may not impose restrictions on investing in certain securities or types of securities. Under the Ullico Retirement Solutions platform, UIA and its sub-adviser will tailor the investment advice to the specific needs and requests of the defined contribution or individual retirement plan. However, the underlying investment vehicles recommended by Ullico

Retirement Solutions will generally be in the form of mutual funds, exchange traded funds and other commingled vehicles, which preclude investors from imposing restrictions on investing in certain securities or types of securities. UIA has been retained as an investment adviser for the Ullico J for Jobs Collective Investment Fund (“CIF”), a collective investment fund established by Hand Benefits & Trust Company (“HBT”) under the Hand Composite Employee Benefit Trust. UIA advises HBT regarding the investment of the CIF subject to limitations set forth in the CIF Investment Policy Statement, provided by HBT.

#### D. Wrap Fee Program

A wrap fee program is defined by the SEC as any advisory program under which a specified fee or fees not based directly upon transactions in a client’s account is charged for investment advisory services (which may include portfolio management or advice concerning the selection of other investment advisers) and the execution of client transactions. UIA does not participate in any wrap fee programs.

#### E. Assets Under Management

As of December 31, 2019, UIA managed \$4,094,558,806 in client assets on a discretionary basis. UIA does not have any regulatory assets under management that are managed on a non-discretionary basis.

## ITEM 5: FEES AND COMPENSATION

#### A. Advisory Fee Schedules

UIA charges investment advisory fees that are based on the amount of assets managed for each client or Fund investor.

The annual investment advisory fee schedules for Fund investors are:

<b>Funds</b>			
<b>Name of Fund</b>	<b>Fee Schedule</b>	<b>Billing Method</b>	<b>Sub-Advisers</b>
Ullico Diversified International Equity Fund, L.P.	0.80% on the first \$35 million in assets under management; 0.70% on the next \$15 million in assets under management; and 0.60% on assets greater than \$50 million	The fee is deducted monthly in arrears and is based on the Fund investor’s ending assets under management as of the close of business on the last business day of each month	ClearBridge Investments, LLC; William Blair Investment Management LLC; American Century Investment Management, Inc.; LMCG Investments, LLC and Dimensional Fund Advisors, LP
Ullico International Small Cap Fund, L.P.	1.00% on all assets under management	The fee is deducted monthly in arrears and is based on the Fund investor’s ending assets under management as of the close of business on the last business day of each month	American Century Investment Management, Inc. and LMCG Investments, LLC
Ullico Infrastructure Tax-Exempt Fund, L.P. (for U.S. tax-exempt investors) &	1.75% on the first \$50 million in assets under management;	The fee is deducted quarterly in arrears and is based on the Fund investor’s ending assets under management as of the	Ullico Infrastructure Management Company, LLC (Relying Adviser).

Ullico Infrastructure Taxable Fund, L.P. (for U.S. taxable investors)	1.65% on the next \$25 million in assets under management; and 1.50% on assets greater than \$75 million	close of business on the last business day of each quarter	
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The investment advisory fees for the Funds are not negotiable. Under certain circumstances, UIA may combine the assets of related client accounts invested in the same Fund so that the client accounts can benefit from the fee breakpoints. The fees for combined client accounts will be deducted from each combined client account on a pro rata basis.

The annual fee schedules for clients with separately managed portfolios are:

<b>Separate Managed Portfolios</b>			
<b>Investment Strategy</b>	<b>Fee Schedule</b>	<b>Billing Method</b>	<b>Sub-Adviser</b>
Domestic Value Equity (Mid-size and Large Capital Stocks)	0.75% on the first \$10 million of asset under management; 0.50% on the next \$65 million of assets under management; and 0.40% on assets greater than \$75 million	The fee is billed quarterly in arrears and is based on the either (1) the client's ending assets under management as of the close of business on the last business day of each quarter or (2) the client's average quarterly assets under management	Brandywine Global Investment Management LLC. Note: This strategy is no longer marketed to new clients
Domestic Small Cap Value Equity (Small Company Stocks)	1.00% on the first \$25 million of assets under management; 0.90% on the next \$25 million of assets under management; and 0.80% on assets greater than \$50 million	The fee is billed quarterly in arrears and is based on the either (1) the client's ending assets under management as of the close of business on the last business day of each quarter or (2) the client's average quarterly assets under management	LMCG Investments, LLC
Core Fixed Income	0.30% on the first \$75 million; 0.25% on assets greater than \$75 million	The fee is billed quarterly in arrears and is based on the client's average quarterly assets under management	UIA Investment Management, LLC (Relying Adviser)
Intermediate Duration Fixed Income	0.25% on all assets under management	The fee is billed quarterly in arrears and is based on the client's ending assets under management as of the close of business on the last business day of each quarter	None Note: This investment strategy is managed internally under a negotiated agreement with one client. This strategy is not marketed to new clients

Cash Plus	0.15% on all assets under management	The fee is billed quarterly in arrears and is based on the client's average quarterly assets under management	UIA Investment Management, LLC (Relying Adviser)
Custom Fixed Income Strategies	Negotiable based on investment strategy	The fee is billed quarterly in arrears and is based on the client's average quarterly assets under management	UIA Investment Management, LLC (Relying Adviser)

The investment advisory fees for separately managed portfolios are negotiable

The annual fee schedules for clients enrolled in Ullico Retirement Solutions and Acropolis are:

Ullico Retirement Solutions			
Investment Strategy	Fee Schedule	Billing Method	Sub-Adviser
Ullico Retirement Solutions where UIA and Acropolis agree to act in an ERISA Section 3(21) role and 3(38) role	\$9,000 base fee on the first \$1,000,000 0.40% on the next \$9,000,000 0.30% on the next \$15,000,000 0.25% on the next \$15,000,000 0.20% on the next \$75,000,000 0.15% on all additional funds	Fees are billed after the end of the calendar quarter for services performed during the completed quarter. The fee is based on the account value on the last business day of the preceding quarter or the last day of contractual arrangement and the timing of the amount due will be based on the contractual arrangement.	Acropolis Investment Management, LLC

The fees for Ullico Retirement Solutions may be negotiable.

UIA has also entered into a Solicitation and Referral Agreement with Acropolis Investment Management, LLC under which UIA receives a fee for referring individual clients to Acropolis for investment management services under its defined contribution platform. Acropolis pays UIA a percentage of the investment advisory fees Acropolis receives from any clients referred by UIA who become investment advisory clients of Acropolis.

UIA does not charge a fee for advisory services provided to Hand Benefit & Trust for the Ullico J for Jobs Collective Investment Fund.

#### B. Fee Payment Methods

For the Funds, UIA deducts investment advisory fees monthly or quarterly for services provided in the previous month or quarter by redeeming Fund units owned by the investors. UIA does not allow Fund investors to elect to be billed for investment advisory fees.

For separately managed portfolios, clients are billed each calendar year quarter for services performed in the previous quarter unless the client requests another billing cycle. The method of billing for each separately managed client account is described in the Investment Management Agreement between UIA and each client. UIA does not allow clients with separately managed portfolios to elect to have investment advisory fees deducted from their account.

For Ullico Retirement Solutions, UIA is authorized to invoice the record keeper directly for the investment advisory fees. The record keeper and/or the custodian do not verify the accuracy of the fee calculation. All investment management fees are deducted from plan assets, unless otherwise requested by the plan sponsor.

### C. Other Fees and Expenses

Bank of New York Mellon (“BNY Mellon”) provides global custody services to the Funds, and the Funds pay a fee to BNY Mellon for the services provided. The Funds also pay audit expenses and other Fund expenses. All fees and expenses charged to investors or charged directly to the Funds are outlined in the Funds’ private placement memorandums or offering brochure. The private placement memorandums or offering brochure are available to qualified investors upon request.

The Ullico Infrastructure Tax-Exempt and Taxable Funds (“UIF”) will bear all third-party expenses related to the operation and activities of the UIF, including fees, costs and expenses (including travel expenses incurred by the portfolio managers) related to the purchase, holding, development, sourcing, and sale of investments, including those arising in respect of identifying, evaluating and negotiating such investments, expenses incurred in connection with transactions not consummated, legal, audit, consulting and accounting fees, administrative fees, insurance, indemnity or litigation expenses, extraordinary expenses, costs and expenses of the LP Advisory Committee, limited partner meetings and reports to the limited partners, and taxes, fees or other governmental charges imposed on the UIF.

Cash held by the Funds will be invested in money market funds. The money market fund expenses will include a management fee paid to the money market fund investment adviser. Fund investors also pay an investment advisory fee to UIA based on total assets under management, which include the money market fund investments. Therefore, Fund investors are paying two investment advisory fees for the assets invested in the money market funds.

All strategies may invest in Exchange-Traded Funds (“ETF’s”). The cost of the ETF includes a management fee paid to the ETF investment advisor. Investors also pay an investment advisory fee to UIA based on total assets under management, which may include the ETF assets. Therefore, the investors may be paying two investment advisory fees for the assets invested in the ETF’s.

The Funds and separately managed portfolios will pay all brokerage and other transaction costs. Please refer to Item 12, Brokerage Practices for additional information on brokerage and transaction costs.

Ullico Retirement Solutions may charge additional fees and expenses for on-site education of defined contribution and individual retirement plan participants. Defined contribution and individual retirement plans will also pay third party administrative expenses and other fees and expenses associated with investment in mutual funds and ETF’s. These include costs associated with investor purchases, exchanges and redemptions. There are also mutual fund operating costs, such as investment advisory fees, marketing and distribution expenses, and brokerage, custodial, transfer agency, legal and accountant fees. While it does not do so at this time, UIA may charge a separate investment advisory fee for a plan enrolled in Ullico Retirement Solutions in addition to the fees outlined above.



#### D. Advisory Fees Paid in Advance

UIA does not charge clients or Fund investors for fees in advance of services provided.

#### E. Sales Compensation

UIA pays cash referral fees to UIA employees for separately managed accounts (with the exception of the Cash Plus accounts managed on behalf of The Union Labor Life Insurance Company) and Ullico Retirement Solutions sales. UIA pays a placement agent fee to Ullico Investment Company, LLC (“UIC”), a broker-dealer registered with the SEC and a member of the Financial Regulatory Authority, from the investment advisory fees paid by Fund investors. UIC pays commissions to registered representatives of UIC, who may also be UIA employees. UIC pays UIC employees for new sales of commingled insurance company separate accounts offered through a group annuity contract issued by The Union Labor Life Insurance Company (“Union Labor Life”). A portion of the separate account assets are managed by UIA using the Cash Plus strategy. Union Labor Life is an affiliate of UIA, and an insurance company registered in 50 states and the District of Columbia. Union Labor Life pays advisory fees to UIA for management of the Union Labor Life separate account assets.

##### 1. Conflict of Interest

Cash referral fees paid to UIA employees and placement agent fees paid to UIC are generally calculated as a percentage of the investment advisory fees, which are based on assets under management. This practice presents a conflict of interest. Advisory fees vary by product, and employees of UIA and UIC may be motivated to sell products with higher advisory fee schedules since the sale may generate a higher cash referral fee or commission. Each year, UIA reviews its business practices to identify those that might pose conflicts of interest between the Firm and its clients. UIA will disclose all significant conflicts of interest in Form ADV. In addition, UIA will review its existing procedures, and if needed, UIA will develop additional policies and procedures to address the conflicts of interest.

##### 2. Unaffiliated Brokers

UIA investment services and Funds are not sold through unaffiliated brokers or agents.

##### 3. Revenue from Commissions

UIA does not receive revenue from advisory clients generated from commissions or other compensation for the sale of investment products UIA recommends to clients. All of UIA’s revenue is generated through investment advisory fees paid by investors invested in UIA-sponsored Funds, through advising clients with separately managed portfolios, or through the purchase of investment advice offered by Ullico Retirement Solutions.

##### 4. Commissions or Markups

UIA does not charge commissions or markups.

#### F. Additional Information

Ullico Inc., a private stock company, is the parent company of UIA. Shares of Ullico Inc. are owned by union organizations and their related funds. UIA may provide investment advisory services to the

union organizations and their related funds that own shares of Ullico Inc. Shareholders of Ullico Inc. may receive an investment advisory fee discount based on various factors such as the size of the account or regulatory requirements. However, shareholders of Ullico Inc. do not receive an investment advisory fee discount based solely on their ownership of Ullico Inc. stock.

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

Performance based fees are based on a share of capital gains or capital appreciation of the assets of a pooled investment vehicle. UIA and its supervised persons do not currently charge or receive any performance based fees. UIA may offer a “performance fee” for a fixed income separately managed portfolio. Although performance fees are not part of UIA’s standard advisory arrangement, UIA may accept such an arrangement based upon appropriate circumstances (primarily the size of the account and the terms of the fee schedule), assuming overall compliance with the Investment Advisors Act of 1940, as amended. UIA will be in compliance with Rule 205-3.

## ITEM 7: TYPES OF CLIENTS

UIA’s primary market focus is providing discretionary investment advisory services to jointly trustee benefit plans and the Funds, although the Firm may also provide services to other institutional investors, including government benefit plans, endowments and foundations, and insurance companies. UIA does not provide investment advisory services to any individuals.

There are requirements and limitations to investing in the Funds and to maintaining separately managed portfolios. The requirements and limitations are listed below:

<b>Funds</b>		
<b>Name of Fund</b>	<b>Type of Investor</b>	<b>Minimum Investment</b>
Ullico Diversified International Equity Fund, L.P.	Must be an institutional, tax exempt accredited investor who is a qualified purchaser, or must be an otherwise qualified investor under SEC regulations and other applicable law	\$1,000,000
Ullico International Small Cap Fund, L.P.	Must be an institutional, tax exempt accredited investor who is a qualified purchaser, or must be an otherwise qualified investor under SEC regulations and other applicable law	\$1,000,000
Ullico Infrastructure Tax-Exempt Fund, L.P.	Must be an institutional, tax exempt accredited investor who is a qualified purchaser	\$5,000,000
Ullico Infrastructure Taxable Fund, L.P.	Must be an institutional, taxable accredited investor who is a qualified purchaser	\$5,000,000

<b>Separate Managed Portfolios</b>		
<b>Investment Strategy</b>	<b>Type of Investor</b>	<b>Minimum Investment</b>
Domestic Value Equity (Mid-size and Large Capital Stocks)	Must be an institutional investor	This strategy is no longer marketed to new clients

Domestic Small Cap Value Equity (Small Company Stocks)	Must be an institutional investor	\$5,000,000
Core Fixed Income	Must be an institutional investor	\$40,000,000
Intermediate Duration Fixed Income	Must be an institutional investor	This strategy is no longer marketed to new clients
Cash Plus	Must be an institutional investor	\$25,000,000

UIA reserves to the right to waive the minimum investment requirement for the Funds and separately managed portfolios.

<b>Ullico Retirement Solutions</b>		
<b>Investment Strategy</b>	<b>Type of Investor</b>	<b>Minimum Investment</b>
Ullico Retirement Solutions	Sponsors of defined contribution, individual account retirement plans which are employers that employ bargaining unit employees, labor organizations that employ individuals in furtherance of their exempt activities, or trustees or other sponsors of multiemployer plans	No minimum account size

<b>Collective Investment Funds</b>		
<b>Name of Fund</b>	<b>Type of Investor</b>	<b>Minimum Investment</b>
Ullico J for Jobs Collective Investment Fund	Sponsors of defined benefit and defined contribution plans	No minimum account size

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

The investment strategy and method of analysis may differ for each Fund or separately managed portfolio advised by UIA. Therefore, the investment strategy and method of analysis for each Fund and separately managed portfolio advised by UIA is separately summarized below. Ullico Retirement Solutions' methods of analysis, investment strategies and risk of loss are addressed separately at this end of the section.

The investment strategies have some common risks of loss but there are also additional risks that are unique to a specific investment strategy. UIA has included a description of the investment risks specific to the investment strategy within the description of each Fund and separately managed portfolio. General investment risks are summarized at the end of this Item.

The methods of analysis are those used by the sub-advisers identified in Item 4. UIA follows established policies and procedures to review the sub-advisers' implementation of their investment strategies and methods of analysis. Additional information on the sub-advisers' methods of analysis, investment strategies and risks of loss is available by reviewing each sub-adviser's Form ADV Part 2A brochure. In the case of Ullico Infrastructure Tax Exempt Fund, Taxable Fund, Intermediate Duration Fixed Income,

Core, Cash Plus, and other Custom Fixed Income Strategies additional information is available from UIA upon request.

The descriptions of method of analysis contain investment terms that are used throughout the descriptions. A brief definition of these investment terms is outlined below:

*Fundamental analysis* analyzes an individual company's financial statistics, as well as qualitative factors that cannot easily be measured, in order to predict future stock and bond price movements. Fundamental analysis reviews a company's financial record, management team, market, sales record and other factors. The information is used to attempt to predict the future success of a company.

*Quantitative analysis* applies mathematical principles to analyze measurable factors. Quantitative analysis often uses *quantitative models* to analyze data and formulate results. Quantitative models are computer programs that are used to determine whether or not a security is an attractive investment.

## **PRIVATELY OFFERED COMMINGLED FUNDS**

### **I. Ullico Diversified International Equity Fund, L.P.**

#### **A. Investment Strategy:**

Ullico Diversified International Equity Fund, L.P allocates assets among four different investment strategies with a target allocation of 37.5% to international large cap value equity, 37.5% to international large cap growth equity, 15% to international small cap equity and 10% to emerging markets.

The allocation is accomplished through hiring one or more sub-advisers for each investment strategy. UIA selects sub-advisers with the assistance of an independent third party and through an established due diligence process. UIA conducts ongoing due diligence reviews of the sub-advisers and has the authority to hire and fire sub-advisers.

Each sub-adviser has a specific investment strategy. The international large cap value equity strategy focuses on identifying stocks that are trading below their normal price based on certain financial measurements. The international large cap growth equity strategy focuses on identifying companies with superior growth characteristics. The international small cap equity strategies focus on identifying stocks with long term earning growth potential that are trading at an attractive price. The emerging markets strategy focus on investing in a broad and diverse group of securities associated with emerging markets, with a greater emphasis on smaller capitalization, value and high profitability companies. All securities selected are subject to the restrictions of the UIA Country Watch List.

**B. Method of Analysis:** Generally, the overall investment approach of the Funds focuses on the selection of individual stocks. The individual stocks are selected by the sub-advisers through a combination of quantitative and fundamental analysis.

#### **C. Strategy Risk of Loss**

**1. Foreign Securities:** Foreign security investments involve special risks. There is the possibility of seizure of assets, unfavorable taxation, exchange control obligations, social instability and political developments that could adversely affect investments made within the foreign countries. In addition, foreign companies may not be subject to the same accounting,

- auditing and financial reporting standards that are required for U.S. companies. The reporting standards may make it difficult to correctly analyze a foreign company. Foreign security markets usually have smaller trading volumes than U.S. markets, and as a result, foreign securities may be less liquid and more volatile than U.S. securities. Transaction costs for trading foreign securities may be higher than the cost for trading U.S. securities.
2. **Small Companies:** The Funds will invest in the stocks of small companies. These small company stocks may be more volatile and less marketable than large company stocks.
  3. **Currency Exchange Rates and Currency Hedging:** The Funds invest in securities denominated in foreign currencies. However, the Funds are valued in U.S. dollars. As a result, the value of the Funds will fluctuate with U.S. dollar exchange rates. The Funds may purchase currency futures to hedge against a decline in the U.S. dollar. The Funds' performance may be adversely impacted due to exchange rate fluctuations and the costs associated with currency hedging activities.
  4. **Emerging Markets:** The Funds may invest in emerging markets. Emerging markets are developing countries with rapid growth in social and business activity and relatively low per capita income. Emerging market investments have additional risk, including possible currency devaluations, political uncertainty and instability, more substantial government involvement in the economy, higher rates of inflation, less government regulation of securities markets, controls on foreign investments, limitations on repatriation of invested capital, inability to exchange local currency for U.S. dollars, greater price volatility, and less liquidity.
  5. **Securities Lending:** Ullico Diversified International Equity Fund, L.P. participates in a securities lending program managed by the Funds' qualified custodian. Securities lending is the temporary loan of a stock to a third party borrower. The lender receives a fee for lending the stock. Securities lending involves two major risks. First, the third party borrower may not return the stock to the lender. Second, collateral provided by the third party borrower may not perform as expected.
  6. **Investment Restrictions:** The Funds prohibit purchasing stocks on the UIA Country Watch List, which includes countries where systematic human rights abuse is identified as determined by UIA. Prohibiting investments in these countries may adversely affect the investment performance of the Funds.
  7. **Fund Structure:** The Ullico Diversified International Equity Fund, L.P. is structured as a limited partnership, and the General Partner of the Fund is owned by UIA. UIA is the investment manager for the Fund.
    - a. **Liquidity:** Limited partnership and group trust interests are not easily transferred to other investors and may be subject to liquidation restrictions.
    - b. **Mandatory Redemptions:** The General Partner or UIA has the right to require a limited partner or a group trust investor to redeem their investments at UIA's discretion.
    - c. **Substantial Redemptions:** Substantial redemptions by limited partners or group trust investors may require UIA to sell investments more quickly than desired. This rapid sale could adversely affect the value of the Funds.

- d. **Indemnification:** The partnership and group trust adoption agreements contain broad provisions that limit the rights of limited partners and group trust investors to recover losses or costs.
- e. **Management of Partnership:** The limited partners and group trust investors have no authority to make decisions or to participate in the management of the Funds.
- f. **Unrelated Business Taxable Income (“UBTI”):** UBTI is income from a trade or business regularly carried on by a tax-exempt organization that is unrelated to its tax-exempt purpose. The partnership is organized to operate as a partnership for tax purposes. Therefore, all income, gains and losses will pass through the investment units to the limited partners and any tax on UBTI will be the responsibility of the partnership. However, if a Fund investment consists of debt-financed property, the limited partners may incur UBTI.
- g. **Income Connected with the U.S. Trade or Business:** If it is determined that the partnership or group trust is engaged in a U.S. trade or business, the limited partners or group trust investors would be obligated to file a U.S. federal tax return to report the income.
- h. **Absence of Regulation.** The Funds are exempt from registering as an investment company under the Investment Company Act of 1940, as amended (“Investment Company Act”). As a result, certain protections of the Investment Company Act will not be available to the limited partners and group trust investors.

For more information on each investment strategy and method of analysis employed by the sub-advisers identified in Item 4 of this brochure, Fund investors should refer to the sub-advisers’ Form ADV Part 2A brochure. For more information on the risk of loss, Fund investors should refer to the Fund’s private placement memorandum or offering brochure and the General Investment Risk of Loss at the end of this Item.

## **II. Ullico International Small Cap Fund, L.P.**

- A. **Investment Strategy:** The Fund will invest in a diversified portfolio of publicly traded equity securities of small companies located in numerous non-U.S. countries. Small companies are defined as companies with market capitalizations of less than \$6 billion. The allocation of investments is accomplished through hiring one or more sub-advisers. UIA selects sub-advisers with the assistance of an independent third party and through an established due diligence process. UIA conducts ongoing due diligence reviews of the sub-advisers and has the authority to hire and fire sub-advisers.

Each sub-adviser has a specific investment strategy. The international small cap equity strategies focus on identifying stocks with long term earning growth potential that are trading at an attractive price.

- B. **Method of Analysis:** Generally, the overall investment approach of the Fund focuses on the selection of individual securities. The individual securities are selected by the sub-advisers through a combination of quantitative and fundamental analysis.
- C. **Strategy Risk of Loss:**

1. Foreign Securities: Refer to the description under Ullico Diversified International Equity Fund, L.P., Strategy Risk of Loss #1.
2. Small Companies: Refer to the description under Ullico Diversified International Equity Fund, L.P., Strategy Risk of Loss #2.
3. Currency Exchange Rates and Currency Hedging: Refer to the description under Ullico Diversified International Equity Fund, L.P., Strategy Risk of Loss #3.
4. Emerging Markets: Refer to the description under Ullico Diversified International Equity Fund, L.P., Strategy Risk of Loss #4.
5. Securities Lending: Ullico International Small Cap Fund, L.P. does not currently participate in a securities lending program but may do so in the future. Refer to the description under Ullico Diversified International Equity Fund, L.P., Strategy Risk of Loss #5.
6. Investment Restrictions: Refer to the description under Ullico Diversified International Equity Fund, L.P., Strategy Risk of Loss #6.
7. Fund Structure: The Ullico International Small Cap Fund, L.P. is structured as a limited partnership, and the General Partner of the Fund is owned by UIA. Refer to the description under Ullico Diversified International Equity Fund, L.P., Strategy Risk of Loss #7.

For more information on each investment strategy and method of analysis employed by the sub-advisers identified in Item 4 of this brochure, Fund investors should refer to the sub-advisers' Form ADV Part 2A brochure. For more information on the risk of loss, Fund investors should refer to the Fund's private placement memorandum and the General Investment Risk of Loss at the end of this Item.

### **III. Ullico Infrastructure Tax-Exempt Fund, L.P. and Ullico Infrastructure Taxable Fund, L.P.**

- A. Investment Strategy: The Funds will invest in a diverse portfolio of infrastructure businesses through Ullico Infrastructure Master Fund, L.P. ("Master Fund"). Infrastructure is broadly defined as the physical structures and facilities that provide essential services to a functioning economy and community. The portfolio may invest in single assets such as toll roads or airports, unregulated assets such as seaports or freight rail lines, regulated utilities such as water utilities or gas transmission pipelines, or social infrastructure projects like hospitals or schools. The investments will primarily be made in small to mid-market, community level assets and will generally be made through the purchase of common or preferred stock, debt obligations or other securities. A target portfolio has been developed. The target portfolio is generally weighted 70% to mature assets and 30% to development assets. The target portfolio focuses on acquiring investments that adjust with inflation, have predictable revenue sources, and provide the Master Fund or an affiliated entity with control rights over the investment.
- B. Method of Analysis: The portfolio managers will use fundamental analysis to select investments.
- C. Strategy Risk of Loss:

1. **Capital Limitations:** The investments made by the Funds may require the contribution of additional capital. For example, additional capital may be required to prevent foreclosure on a property owned by one of the investments. There is no obligation for the investors in the Funds to contribute additional capital. Therefore, the investments could be lost as a result of the capital limitations.
2. **Business Risk:** The Master Fund's investments will consist of securities issued by private companies, as well as interests in partnerships, limited liability companies or similar entities. There is the possibility that the private company or other entity may declare bankruptcy or act in a manner that is not consistent with the business interests of the Master Fund. Furthermore, it may be difficult for the Master Fund to sell its interest in an entity.
3. **Valuation:** Most of the investments will not be listed on a recognized security exchange. Therefore, a public price for most of the investments will not be available. The valuation of the Master Fund's investments will involve uncertainties and will require good faith business judgment. The value of the investments will have an important impact on the Master Fund, including the calculation of the investment management fee and the purchase and sale price of investors' interests in the Funds. The Master Fund could be adversely affected if it is determined that the value of an investment is incorrect.
4. **Limited Number of Investments:** The Master Fund may participate in a limited number of investments. Therefore, the Master Fund return may be substantially affected by the poor performance of a single investment.
5. **Limited Liquidity:** Investments made by the Master Fund are not liquid and cannot easily be sold. Investors in the Funds have limited opportunities to redeem their investment.
6. **Investment Risk:** The Master Fund may make investments in the electric utility industry, which is subject to regulatory and third party pressures. The Master Fund may make investments in renewable energy projects. The market for renewable energy is emerging and rapidly evolving, and its future success is uncertain. The Master Fund may be subject to commodity price risk and the commodity markets may be volatile. Many Master Fund investments will be subject to federal, state and local statutory and regulatory standards. Compliance with these regulations may add significant cost to the investments.
7. **Responsible Contractor Policy:** The Funds will implement a policy regarding the use of union labor. This policy may limit the Master Fund's investment opportunities.
8. **Fund Structure:** The Ullico Infrastructure Tax-Exempt Fund, L.P. and the Ullico Infrastructure Taxable Fund, L.P. are structured as limited partnerships, and the General Partner of the Funds is owned by UIA. Refer to the description under Ullico Diversified International Equity Fund, L.P., Strategy Risk of Loss #7.

For more information on the investment strategy, method of analysis and risk of loss, Fund investors should refer to the Fund's private placement memorandum and to the General Investment Risk of Loss at the end of this Item.

## **SEPARATELY MANAGED PORTFOLIOS**

### **I. Domestic Value Equity**



- A. Investment Strategy: This investment strategy invests in medium to large size companies that have relatively low valuations. Low valuation is defined as stocks with low price-to-earnings, low price-to-book, or low price-to-cash flow ratios relative to the overall market and relative to each stock's history.
- B. Method of Analysis: This strategy uses fundamental analysis.
- C. Strategy Risk of Loss: Refer to the General Investment Risk of Loss at the end of this Item.

For more information on the investment strategy and method of analysis employed by the sub-adviser identified in Item 4 of this brochure, clients should refer to the sub-adviser's Form ADV Part 2A brochure.

## **II. Domestic Small Cap Value Equity**

- A. Investment Strategy: The investment strategy identifies solid companies, with market capitalizations of less than \$2 billion, whose stock is temporarily out of favor. The strategy focuses on companies with higher returns on capital, free cash flow and strong balance sheets. Although the companies are relatively small, they often dominate a segment of a particular industry. Generally these industries have significant barriers to entry and as a result, the companies are able to generate a higher return on capital over time. The strategy will also invest in more cyclical companies with somewhat lower returns on capital when the market does not reward the company's long term earnings.
- B. Method of Analysis: This strategy uses a fundamental method of analysis.
- C. Strategy Risk of Loss: The portfolios will invest in the stocks of small companies. These small company stocks may be more volatile and less marketable than large company stocks.

For more information on the investment strategy and method of analysis employed by the sub-adviser identified in Item 4 of this brochure, clients should refer to the sub-adviser's Form ADV Part 2A brochure. For information on additional risks, refer to the General Investment Risk of Loss at the end of this Item.

## **III. Core Fixed Income**

- A. Investment Strategy: The primary objective of the Investment Grade Core portfolio is to outperform the Bloomberg Barclays U.S. Aggregate Bond Index while minimizing exposure to macro-factor risks. The investment universe includes investment grade fixed-income securities, and the portfolio duration is managed relative to the benchmark. In constructing portfolios, the senior investment team analyzes current economic conditions and trends to develop an overall market outlook, fixed income sector views and valuation themes, and this top-down assessment provides important context for a deeper analysis of individual sectors. The team examines each sector in-depth, focusing on relative valuations, potential risks, trading opportunities, potential constraints, possible technical effects, and other sector-specific factors. Such discussions contribute to sector rotation decisions to overweight or underweight a specific sector or sub-sector. The investment approach emphasizes bottom-up sector and security selection, and the team is comprised of professionals with specialized sector experience and skill which is leveraged to understand sector dynamics and identify sector relative value trading opportunities. The strategy uses a relative value framework that

attempts to construct portfolios with securities that appear to offer attractive risk-adjusted yields, while attempting to minimize macro-factor risks.

B. Method of Analysis: The strategy uses quantitative and fundamental analysis.

C. Strategy Risk of Loss:

1. Interest Rate and Maturity Risk: The market prices of fixed income investments may decline due to an increase in market interest rates. Generally, the longer the maturity or duration of a fixed income investment, the more sensitive it is to changes in interest rates. Hedging interest rate and maturity risk will not generate profits in every situation and may not fully offset the losses on the positions resulting from changes in interest rates. The hedging positions, if any, will only minimize the effect of changes in interest rates. Sufficiently large and sudden movements in interest rates could result in substantial losses.
2. Liquidity Risk: The strategy bears the risk that a particular investment may be difficult to purchase or sell and that the investment manager may be unable to purchase or sell illiquid investments at an advantageous time or price to achieve its desired level of exposure to a certain sector. Liquidity risk may result from the lack of an active market, reduced number and capacity of traditional market participants to make a market in fixed income securities, and may be magnified in an environment of rapidly changing interest rates or other circumstances where investor purchases or sales may be higher than normal.
3. Credit Risk: The investment strategy may invest in a variety of debt instruments, which may be issued by governmental, corporate or other issuers. Debt securities may pay fixed, floating or variable rates of interest at a rate contingent upon some other factor. An issuer of a debt instrument may be unable to pay principal and interest when due, or the value of the security may suffer because investors believe the issuer is less able to pay. Lower-rated securities, while usually offering higher yields, generally have more risk and volatility because of reduced creditworthiness and greater chance of default.
4. Agency Mortgage-Backed Securities – Government Sponsored Enterprises: The investment strategy will invest in Agency MBS and pools of mortgages issued or guaranteed by GNMA, FNMA, FHLMC, and other government-sponsored enterprises. GNMA is a wholly owned U.S. Government corporation within the Department of Housing and Urban Development. GNMA is authorized to guarantee, with the full faith and credit of the U.S. Government, the timely payment of principal and interest on securities issued by institutions approved by GNMA, and backed by pools of mortgages insured by the Federal Housing Administration (“FHA”), or guaranteed by the Department of Veterans Affairs (“VA”). Government-related guarantors that are not guaranteed by the full faith and credit of the U.S. Government include FNMA and FHLMC. FNMA pass-through securities are backed by a pool of residential mortgages and are guaranteed as to timely payment of principal and interest by FNMA, but this guarantee is not backed by the full faith and credit of the U.S. Government. FHLMC issues participation certificates that are pass-through securities backed by a pool of residential mortgages. FHLMC guarantees the timely payment of interest and ultimate collection of principal, but this guarantee is not backed by the full faith and credit of the U.S. Government. The activities of FNMA and FHLMC are overseen by the Federal Housing Finance Agency (“FHFA”).

Under the Federal Housing Finance Regulatory Reform Act of 2008, FHFA was appointed as conservator or receiver for FNMA and FHLMC and empowered to repudiate any FNMA or FHLMC contract that it views as burdensome. Since its appointment as conservator in 2008, FHFA has indicated that it has no intention to repudiate the guaranty obligations of FNMA or FHLMC; however, in the event that FHFA, as conservator or if it is later appointed as receiver for FNMA or FHLMC, were to repudiate any such guaranty obligation, or transfer any such guaranty obligation to another party, there is a risk that the holders of FNMA or FHLMC mortgage-backed securities may not receive the full payments on such securities.

In June 2019, under the Single Security Initiative, FNMA and FHLMC started issuing UMBS in place of their current offerings of TBA-eligible securities. The Single Security Initiative seeks to support the overall liquidity of the TBA market and aligns the characteristics of FNMA and FHLMC certificates. The investment strategy may invest in UMBS, and the effect that the Single Security Initiative may have on the market for TBA and other mortgage-backed securities is uncertain.

5. **Privately Issued Residential MBS:** The investment strategy may invest in pools of residential MBS that are not guaranteed by any government agency or government-sponsored enterprise. Residential mortgage loans that secure such MBS may be subject to numerous U.S. federal and state laws and regulations regarding all aspects of the loans. The foreclosure process for residential mortgage loans may be a lengthy and difficult process, and may involve significant expenses. Furthermore, the market for defaulted residential mortgage loans or foreclosed properties may be very limited.

The portfolio holdings of residential MBS may be backed by residential mortgage loans with properties located in only a few states or regions. As a result, the residential mortgage loans may be more susceptible to geographic risks, such as adverse economic conditions, adverse events affecting industries located in such areas and natural hazards affecting such areas. In addition, the residential mortgage loans may include “jumbo” mortgage loans. Jumbo loans have an original principal balance that is higher than the maximum limit for inclusion in a FNMA or FHLMC guaranteed MBS. As a result, the properties that secure the jumbo loan may have a more limited market than those securing residential mortgage loans with a smaller outstanding balance.

Residential MBS may include mortgage loans with a balloon payment due at the mortgage maturity date. Balloon residential mortgage loans involve a greater risk because the ability of the borrower to pay the balloon amount will depend on the borrower’s ability to refinance the loan or sell the property at a price that allows the borrower to make the balloon payment. The borrower’s ability to refinance the loan or sell the property will depend on a number of factors including the strength of the residential real estate markets, tax laws, interest rates, and general economic conditions. If the borrower cannot make the balloon payment, the related residential MBS may experience losses.

Residential MBS may include adjustable-rate mortgage loans. Borrowers with adjustable-payment mortgage loans may be subject to increased monthly payments when the mortgage interest rate adjusts upward from the initial fixed rate or a low introductory rate. The increase in the borrowers’ monthly payments, combined with an increase in market interest rates, may result in significantly increased monthly payments for borrowers with adjustable-rate mortgage loans. Borrowers who want to avoid the

increased monthly payments by refinancing their mortgage loans may not be able to find available replacement loans at comparably low interest rates. As a result, adjustable-rate mortgages may experience a higher delinquency rates and therefore potentially higher losses.

Residential MBS may include subprime and nontraditional mortgage loans that allow certain borrowers to purchase homes that they might otherwise have been unable to afford. Many of these products feature low monthly payments during the initial years of the loan that can increase over the loan term. When home prices decline and economic conditions deteriorate, delinquencies and losses related to subprime and nontraditional residential mortgage loans are usually greater than loans that meet the guidelines of government-sponsored entities like Fannie Mae and Freddie Mac.

6. Commercial Mortgage-Backed Securities (“CMBS”): The investment strategy may invest in CMBS that are pools of mortgages loans on office buildings, hotels, retail shopping center, and other commercial properties. Such loans are generally non-recourse loans (meaning that the borrower does not have any personal liability for the loan), may lack standardized terms, tend to have shorter maturities than residential mortgage loans and may provide for the payment of principal only at maturity. In some cases, the properties securing commercial mortgage loans may be subject to additional debt. The additional debt may affect the borrower's ability to refinance the loan or result in reduced cash flow and deferred maintenance. Additional risks may result from the type and use of a particular commercial property. For instance, commercial properties that operate as hospitals and nursing homes may present special risks to lenders due to the significant governmental regulation of the ownership, operation, maintenance and financing of health care institutions. All of these factors increase the risks involved with commercial real estate lending. Commercial properties tend to be unique and are more difficult to value than single-family residential properties. Commercial lending generally exposes a lender to a greater risk of loss than residential lending since it typically involves larger loans to a single borrower than residential lending.

Commercial mortgage lenders typically use the debt service coverage ratio of a loan secured by income-producing property as a measure of the risk of default on the mortgage. The debt service coverage ratio is the ratio of cash produced by operation of the property to the total interest, principal and lease payments. Commercial property values and net operating income are subject to volatility. Therefore, the net operating income may be insufficient to cover the payment of the mortgage loan at any given time. The repayment of loans secured by income-producing properties is dependent on the successful operation of the real estate project rather than on the liquidation value of the real estate or the existence of independent income or assets of the borrower. Furthermore, the net operating income and value of a commercial property may be adversely affected by risks other than real property risks. These risks include events that cannot be predicted or controlled, such as changes in economic conditions and specific industries; declines in real estate values; declines in rental or occupancy rates; increases in interest rates, real estate tax rates and other operating expenses; changes in governmental rules, regulations and fiscal policies; acts of God; acts of war; acts of terrorism; and social unrest and civil disturbances. The value of commercial real estate is also subject to a number of laws, such as laws regarding environmental clean-up. In addition, there are limits on remedies imposed by bankruptcy laws and state laws regarding foreclosures and rights of redemption.

A commercial property may not easily be changed to an alternative use if the operation of the commercial property for its original purpose becomes unprofitable. In such cases, changing the commercial property to an alternative use may require a substantial cost. Therefore, if the borrower is unable to pay the commercial mortgage loan, the liquidation value of a commercial property may be substantially less than the amount of the outstanding loan.

Mortgage loans underlying a CMBS issue may require a single “balloon” payment at maturity. If the underlying mortgage borrower experiences business problems or other factors limit refinancing alternatives, balloon payment mortgages are likely to experience payment delays or even default.

7. Stripped Mortgage-Backed Securities (“SMBS”): Stripped mortgage-backed securities are structured with two or more classes of securities that receive different proportions of the interest and principal distributions on a pool of mortgage assets. A common type of SMBS will have at least one class receiving only a small portion of the principal. In the most extreme case, one class will receive all of the interest (“IO” or interest-only class), while the other class will receive all of the principal (“PO” or principal-only class). The yield to maturity on IOs, POs and other mortgage-backed securities that are purchased at a substantial premium or discount generally are extremely sensitive not only to changes in prevailing interest rates but also to the rate of principal payments (including prepayments) on the related underlying mortgage assets. A rapid rate of principal payments may have a material adverse effect on such securities’ yield to maturity. If the underlying mortgage assets experience greater than anticipated prepayments of principal, the portfolio may fail to fully recoup its initial investment in these securities, even if the securities have received a high credit rating.
8. Asset-Backed Securities (“ABS”): Similar to mortgage-backed securities, ABS may be issued or guaranteed by U.S. government agencies, government-sponsored enterprises or non-governmental issuers. ABS include securities backed by pools of automobile loans, educational loans, home equity loans, and credit card receivables. The underlying pools of assets are securitized through the use of trusts and special purpose entities. These securities may be subject to the risks described above under Privately Issued Residential MBS, including risks associated with changes in interest rates and prepayment of underlying obligations. Certain types of ABS present additional risks that are not presented by mortgage-backed securities. In particular, certain types of ABS may not have the benefit of a security interest in the underlying assets. For example, many securities backed by credit card receivables are unsecured. Even when security interests are present, the ability of an issuer of certain types of ABS to enforce those interests may be more limited than that of an issuer of mortgage-backed securities. For instance, automobile receivables generally are secured by automobiles rather than by real property. Most issuers of automobile receivables permit loan servicers to retain possession of the underlying assets. In addition, the trustee for the holders of the automobile receivables may not have a proper security interest in all of the automobiles. Therefore, recoveries on repossessed automobiles may not be available to support payments on these securities.

In addition, certain types of ABS may experience losses on the underlying assets as a result of certain rights provided to consumer debtors under federal and state law. In the case of certain consumer debt, such as credit card debt, debtors are entitled to the protection of a number of state and federal consumer credit laws, many of which give such debtors the right to set off certain amounts owed on their credit cards (or other debt), thereby reducing the balance due. For instance, a debtor may be able to offset certain damages for which a court has determined that the creditor is liable to the debtor against amounts owed to the creditor by the debtor on his or her credit card.

9. **Prepayment Risk:** Securitized instruments, including Agency MBS, Privately Issued Residential MBS, CMBS, Stripped MBS, and Asset-Backed Securities, are backed by pools of credit obligations with variable cash flows. Unlike traditional bonds, which pay a fixed rate of interest until maturity when the entire principal amount comes due, payments on securitized instruments may include both the payment of interest and a partial payment of principal. The partial payment of principal may include the scheduled principal payment as well as an unscheduled prepayment from the voluntary prepayment, refinancing, or foreclosure of the underlying loans. As a result of these unscheduled payments of principal, the price and yield of the securitized instrument can be adversely affected. For example, during periods of declining interest rates, prepayments can be expected to accelerate. The investment manager would then be required to reinvest the proceeds at the lower interest rates available at that time. Prepayments of loans that underlie securities purchased at a premium (i.e., an amount greater than the face value of the security) could result in capital losses because the premium may not have been fully amortized at the time the loan is prepaid. In addition, like other traditional bonds, the value of securitized instruments generally fall when interest rates rise. However, when interest rates fall, the potential for capital appreciation is limited due to the existence of the prepayment option. CMBS are securities where investors receive payments of interest and principal from mortgage loans secured by commercial or multi-family real estate properties, such as shopping malls, office buildings, industrial or warehouse properties, hotels, apartments, nursing homes or similar properties. With CMBS, the rate of principal payments on the loans will be affected by any restrictions on prepayments of the principal. The restrictions may include a prohibition on prepayments for a period of time and/or requirements that principal prepayments are subject to prepayment penalties.
10. **Financial Difficulties of Servicers:** Securitized instruments, including Agency MBS, Privately Issued Residential MBS and Asset-Backed Securities may require the servicer to make advances on delinquent mortgage loans. However, servicers experiencing financial difficulties may not be able to perform these obligations. Servicers who have sought bankruptcy protection may not be required to advance the payment. Even if a servicer were able to advance amounts on delinquent mortgage loans, its obligation to make the advances may be limited if it does not expect to recover the advances. In addition, a servicer's obligation to make the advances may be limited to the amount of its servicing fee.
11. **Yankee Bonds:** The investment strategy may invest in Yankee bonds. Yankee bonds are dollar-denominated fixed income securities issued in the U.S. capital markets by non-U.S. companies, governments and agencies. Yankee bonds are subject to country risks and other risks associated with non-U.S. investments. One such risk is the possibility that a sovereign country might prevent capital, in the form of dollars, from flowing across

their borders. Other risks include: adverse political and economic developments; adverse government regulation of financial markets and institutions; the imposition of foreign withholding taxes; and the expropriation or nationalization of foreign issues.

12. **Basis Risk:** Basis risk is the risk that changes in the value of a hedge instrument will not completely offset changes in the value of the assets and liabilities being hedged. A hedge instrument may be used to limit investment risk, volatility or to lock in profits. Generally, a hedge transaction will purchase an opposite position in the market (e.g. a short position to offset the risk of a portfolio holding). Basis risk may occur in many ways. For example, a hedge transaction may rise in value by \$100 in response to higher interest rates. At the same time, the security being hedged could decline in value by \$102 in response to the same market factor, such as higher interest rates. As a result, the hedge would not fully cover the loss in value of the security caused by higher rates since a \$2 differential would exist between the gain in value on the hedge and the asset's loss in value. The \$2 differential reflects basis risk. Basis risk can occur in other ways. For example, when a small change in interest rates occurs, both the hedge transaction and the hedged assets could decline in value, although by different amounts.
13. **Risks Associated with Correlation of Price Changes.** Correlation is the relationship between two variables that shows a close match between the movements of the variables over time. There are a limited number of types of exchange-traded option and future contracts. Therefore, the standardized contracts available will not directly match the portfolio's current or anticipated market exposure. This creates the risk that the options or futures position will not track the performance of portfolio's investments. In addition, options and futures prices can also deviate from the prices of their underlying investments. Options and futures prices are affected by factors which may not affect security prices the same way. Imperfect correlation may also result from different levels of demand in the options and futures markets versus the securities markets, from structural differences in how options and futures and securities are traded, or from the imposition of daily price fluctuation limits or trading halts. The investment manager may purchase or sell options or futures contracts with a different value than the securities it wishes to hedge or intends to purchase in order to compensate for differences in volatility between the contract and the securities. If price changes in the options or futures positions are poorly correlated with its other investments, the positions may fail to produce anticipated gains or result in losses that are not offset by gains in other investments.
14. **Futures Contracts:** The investment strategy may purchase futures contracts. A financial futures contract is similar to a forward contract, but the futures contract is structured with standard terms and is exchange-traded. Under a financial futures contract, one party (the "seller") agrees to sell and a second party (the "buyer") agrees to purchase a particular quantity of a specific financial instrument or the basket of investments that comprises an index on a specified date in the future. The value of a futures contract tends to increase and decrease in concert with the value of its underlying investment or index. Therefore, purchasing futures contracts will usually increase exposure to price changes in the underlying investment or index. In contrast, when a futures contract is sold, the value of its futures position will usually move in an opposite direction to the underlying investment or index. Therefore, selling futures contracts will tend to offset both positive and negative market price changes, much as if the underlying investment or index had been sold. In addition, futures and forward contract prices are highly volatile. Such prices are influenced by numerous political and economic factors and may be subject to

regulatory or governmental controls or restrictions. The low margin deposits normally required in futures contract trading permit an extremely high degree of leverage. The amount of leverage magnifies the effect of increases and decreases in price. An added risk in these volatile and highly leveraged markets is the possible inability to sell futures positions to prevent further losses or recognize unrealized gains. The inability to liquidate futures positions means that the investment manager is unable to control losses.

15. **Futures Margin Payments:** The buyer or seller of a futures contract is not required to deliver or pay for the underlying investment unless the contract is held until the delivery date, and it is not settled for cash. However, when the contract is entered into, a buyer or seller is required to deposit “initial margin” with a futures broker, known as a futures commission merchant (“FCM”). Initial margin deposits are typically a percentage of the contract’s value. If the value of the buyer’s or seller’s position declines, the buyer or seller will be required to make additional “variation margin” payments to settle the change in value on a daily basis. A party that has a gain may be entitled to receive all or a portion of this amount. Initial and variation margin payments do not constitute purchasing securities on margin. In the event of the bankruptcy of an FCM that holds the margin, the buyer or seller may be entitled to return of the margin owed to it only in proportion to the amount received by the FCM’s other customers, potentially resulting in losses.
16. **Forward Trading:** The investment strategy may purchase forward contracts. A forward contract is a contract to purchase securities for a fixed price at a future date beyond the customary settlement date. Prior to settlement, the portfolio’s exposure from such transactions is similar to that of an investment funded by a short-term loan. Forward positions may increase overall investment exposure and involve a risk of loss if the value of the securities decline prior to the settlement date. Forward contracts are not traded on exchanges; rather, banks and dealers act as principals in these markets. Therefore, the portfolio is subject to the risk of the banks and dealers who are unable or refuse to complete the transaction on the settlement date. Further, there is no limit on the daily price movements of forward contracts. Principals in the forward markets have no obligation to continue to make markets in the forward contracts traded. The imposition of credit controls by governmental authorities might limit such forward trading to less than that which the investment manager would otherwise recommend, to the possible detriment of portfolio.
17. **Repurchase Agreements:** The investment strategy may invest in a repurchase agreement. A repurchase agreement is a contract under which a security is acquired for a short period of time (usually not more than one week) subject to the obligation of the seller to repurchase the security at a fixed time and price. If a seller fails to repurchase the security, the buyer could realize a loss on the sale if the replacement sale price, including accrued interest, is less than the resale price, plus interest, listed in the repurchase agreement. In addition, if the seller is in bankruptcy, the buyer may incur a delay and additional costs in selling the underlying security or may lose principal and interest if the buyer is treated as an unsecured creditor.
18. **Dollar Roll Agreements:** The investment strategy may invest in a dollar roll agreement. Dollar roll agreements are transactions where an investor sells a security for delivery in the current month and simultaneously enters into a contract to repurchase a similar (same type and coupon) security on a specified future date. During the roll period, the investor waives principal and interest paid on the security. The investor is compensated by the



difference between the current sales price and the forward price for the future purchase (often referred to as the “drop”) as well as by the interest earned on the cash proceeds of the initial sale. If the broker-dealer to whom the investor sells the security becomes insolvent, the investor's right to repurchase the security may be restricted. Other risks involved in entering into mortgage dollar rolls include the risk that the value of the security may change adversely over the term of the mortgage dollar roll and that the security the investor is required to repurchase may be worth less than the security the investor originally held.

Upon request UIA will provide more information on the investment strategy, method of analysis, and risk of loss. For additional information on risks, refer to the General Investment Risk of Loss at the end of this Item.

#### **IV. Intermediate Duration Fixed Income**

- A. Investment Strategy: This strategy will invest in high quality U.S. fixed income securities including Treasuries, corporate bonds, and mortgage and asset backed securities. The strategy will focus on identifying securities with durations of three to five years that generate income that exceeds the Barclay's U.S. Intermediate Credit index.
- B. Method of Analysis: This strategy uses fundamental analysis.
- C. Strategy Risk of Loss:
  - 1. Interest Rates and Maturity Risk: Refer to description under Core Fixed Income, Strategy Risk of Loss #1.
  - 2. Liquidity Risk: Refer to description under Core Fixed Income, Strategy Risk of Loss #2.
  - 3. Credit Risk: Refer to description under Core Fixed Income, Strategy Risk of Loss #3.
  - 4. Agency Mortgage-Backed Securities – Government Sponsored Enterprises: Refer to description under Core Fixed Income, Strategy Risk of Loss #4.
  - 5. Privately Issued Residential MBS: Refer to description under Core Fixed Income, Strategy Risk of Loss #5.
  - 6. Commercial Mortgage-Backed Securities: Refer to description under Core Fixed Income, Strategy Risk of Loss #6.
  - 7. Stripped Mortgage-Backed Securities: Refer to description under Core Fixed Income, Strategy Risk of Loss #7.
  - 8. Asset-Backed Securities: Refer to description under Core Fixed Income, Strategy Risk of Loss #8.
  - 9. Prepayment Risk: Refer to description under Core Fixed Income, Strategy Risk of Loss #9.

10. Financial Difficulties or Servicers: Refer to description under Core Fixed Income, Strategy Risk of Loss #10.

11. Yankee Bonds: Refer to description under Core Fixed Income, Strategy Risk of Loss #11.

12. Basis Risk: Refer to description under Core Fixed Income, Strategy Risk of Loss #12.

13. Risks Associated with Correlation of Price Changes: Refer to description under Core Fixed Income, Strategy Risk of Loss #13.

14. Futures Contracts: Refer to description under Core Fixed Income, Strategy Risk of Loss #14.

15. Futures Margin Payments: Refer to description under Core Fixed Income, Strategy Risk of Loss #15.

16. Forward Trading: Refer to description under Core Fixed Income, Strategy Risk of Loss #16.

17. Repurchase Agreements: Refer to description under Core Fixed Income, Strategy Risk of Loss #17.

18. Dollar Roll Agreements: Refer to description under Core Fixed Income, Strategy Risk of Loss #18.

For additional information on risks, refer to the General Investment Risk of Loss below.

## **V. Cash Plus**

A. Investment Strategy: The primary objective of the short duration portfolio is to achieve an attractive return that is superior to money market and short-term investment fund alternatives while minimizing exposure to risk. The portfolio will invest primarily in liquid, high credit quality fixed-income securities and manage the portfolio duration to a short-term target. The portfolio strategy seeks to generate excess returns from yield spread differentials, sector rotation, and security selection within the high quality fixed-income market.

B. Method of Analysis: The strategy uses quantitative and fundamental analysis.

C. Strategy Risk of Loss:

1. Interest Rates and Maturity Risk: Refer to description under Core Fixed Income, Strategy Risk of Loss #1.

2. Liquidity Risk: Refer to description under Core Fixed Income, Strategy Risk of Loss #2.

3. Credit Risk: Refer to description under Core Fixed Income, Strategy Risk of Loss #3.

4. Agency Mortgage-Backed Securities – Government Sponsored Enterprises: Refer to description under Core Fixed Income, Strategy Risk of Loss #4.

5. Privately Issued Residential MBS: Refer to description under Core Fixed Income, Strategy Risk of Loss #5.
6. Commercial Mortgage-Backed Securities: Refer to description under Core Fixed Income, Strategy Risk of Loss #6.
7. Stripped Mortgage-Backed Securities: Refer to description under Core Fixed Income, Strategy Risk of Loss #7.
8. Asset-Backed Securities: Refer to description under Core Fixed Income, Strategy Risk of Loss #8.
9. Prepayment Risk: Refer to description under Core Fixed Income, Strategy Risk of Loss #9.
10. Financial Difficulties or Servicers: Refer to description under Core Fixed Income, Strategy Risk of Loss #10.
11. Yankee Bonds: Refer to description under Core Fixed Income, Strategy Risk of Loss #11.
12. Basis Risk: Refer to description under Core Fixed Income, Strategy Risk of Loss #12.
13. Risks Associated with Correlation of Price Changes: Refer to description under Core Fixed Income, Strategy Risk of Loss #13.
14. Futures Contracts: Refer to description under Core Fixed Income, Strategy Risk of Loss #14.
15. Futures Margin Payments: Refer to description under Core Fixed Income, Strategy Risk of Loss #15.
16. Forward Trading: Refer to description under Core Fixed Income, Strategy Risk of Loss #16.
17. Repurchase Agreements: Refer to description under Core Fixed Income, Strategy Risk of Loss #17.
18. Dollar Roll Agreements: Refer to description under Core Fixed Income, Strategy Risk of Loss #18.

## **VI. Custom Fixed Income Strategies**

- A. Investment Strategy: This investment strategy will vary based upon the portfolio risk characteristics requested by the investor. Generally, the portfolio will invest in investment grade fixed income securities.
- B. Method of Analysis: The strategy uses quantitative and fundamental analysis.

- C. **Strategy Risk of Loss:** The risk of loss will vary based upon the specific investment strategy employed in managing the portfolio. However, the risk of loss will generally be similar to those outlined under the Core Fixed Income Strategy.

## **OTHER PRODUCTS**

### **I. Ullico Retirement Solutions**

- A. **Investment Strategy:** Through Ullico Retirement Solutions, UIA and its sub-adviser, Acropolis, cooperate to provide investment advice relating to defined contribution, individual account retirement plans to employers that employ bargaining unit employees, labor organizations that employ individuals in furtherance of their exempt activities, and trustees or other sponsors of multiemployer plans.
- B. **Method of Analysis:** Quantitative analysis will be employed to develop target date funds and fundamental analysis will be employed in the selection of mutual funds and ETF's.
- C. **Strategy Risk of Loss:**
  - 1. Acropolis will select investment funds that underperform the benchmark.
  - 2. The target date funds designed by Acropolis will underperform the benchmark.
  - 3. The mutual fund and ETF risk of loss will vary based on the underlying investment strategy of each investment.

For additional information on risks, refer to the General Investment Risk of Loss below.

### **II. Ullico J For Jobs Collective Investment Fund ("CIF")**

- A. **Investment Strategy:** UIA recommends that the CIF invest 70% of the assets in Separate Account J, a commingled insurance company separate account offered through a Group Annuity Contract issued by The Union Labor Life Insurance Company ("Union Labor Life"). Union Labor Life generally invests Separate Account J proceeds in privately negotiated first mortgages, secured by institutional grade properties throughout the United States that are underwritten by the Real Estate Investment Group of Union Labor Life.
- B. **Method of Analysis.** Fundamental analysis will be employed in recommending Separate Account J.
- C. **Strategy Risk of Loss:**
  - 1. **Pricing:** Some investments may not have a market observed price; therefore, values for these assets may be determined through a subjective valuation methodology. Fair values determined by a subjective methodology may differ from the actual value realized upon sale. Valuation methodologies may also be used to calculate a daily net value.
  - 2. **Management:** Performance is subject to the risk that the adviser's asset allocation and investment strategies do not perform as expected, which may cause the portfolio to underperform its benchmark, other investments with similar objectives, or the market in

general. The investment is subject to the risk of loss of income and capital invested, and the adviser does not guarantee its value, performance, or any particular rate of return.

3. **Fixed-Income Securities:** The value of fixed-income or debt securities may be susceptible to general movements in the bond market and are subject to interest rate and credit risk.
4. **Lending:** Investing in loans creates risk for the borrower, lender, and any other participants. A borrower may fail to make payments of principal, interest, and other amounts in connection with loans of cash or securities or fail to return a borrowed security in a timely manner, which may lead to impairment of the collateral provided by the borrower. Investment in loan participations may be subject to increased credit, pricing, and liquidity risks, with these risks intensified for below investment grade loans.
5. **Prepayment (Call):** The issuer of a debt security may be able to repay principal prior to the security's maturity because of an improvement in its credit quality or falling interest rates. In this event, this principal may have to be reinvested in securities with lower interest rates than the original securities, reducing the potential for income.
6. **Reinvestment:** Payments from debt securities may have to be reinvested in securities with lower interest rates than the original securities.
7. **Unrated Securities:** Investment in unrated securities may be subject to increased interest, credit, and liquidity risks if the adviser does not accurately assess the quality of those securities.
8. **New Fund:** Investments with a limited history of operations may be subject to the risk that they do not grow to an economically viable size in order to continue operations.
9. **Additional Risks:** Investment in illiquid real estate and commercial mortgage loans are subject to additional risks including the potential inability of the CIF to redeem units. In addition, fluctuations in interest rates and market volatility may limit available financing for real estate investments held by Separate Account J, thereby adversely affecting the value of the underlying investments, the investment return and the liquidity of the investments. Furthermore, the loan values determined by the manager could vary significantly from the prices at which the investments would sell because market prices can only be determined by negotiation between a willing buyer and seller. The ability of borrowers to repay loans issued by Separate Account J will typically depend upon the successful construction or operation of the related real estate project and the availability of financing. The repayment of loans issued for the construction of multifamily housing (i.e. condominium loans) will generally depend on the borrower's ability to sell the underlying housing units. There is no guarantee that Separate Account J will attain its investment objectives.

For additional information on risks, refer to the General Investment Risk of Loss below.

### **General Investment Risk of Loss**

1. Investing in securities involves the potential risk of loss of principal and income. Clients and Fund investors should be prepared to bear this loss before making an investment.

2. **Market Risk:** The market value of equity and fixed income securities may fall rapidly or unpredictably due to changing economic, regulatory, and political or market conditions or due to the financial condition of the issuer.
3. **Liquidity Risk:** Liquidity risk exists when particular investments are difficult to sell. It may be difficult to sell illiquid investments at the best prices.
4. **Importance of Sub-Advisers:** For many investment strategies, UIA has delegated stock selection and trading responsibilities to sub-advisers. UIA must rely on the sub-advisers to successfully implement their stated investment strategy, trade securities, and comply with the Funds' and clients' investment guidelines and restrictions.
5. **Distressed Securities:** On occasion, some of the securities held in the Funds and portfolios may become distressed. The ability to obtain a profit from these distressed securities often depends on factors that are unique to the company that issued the securities. Furthermore, the value of the distressed securities may rely on certain events, such as a reorganization or merger. If the expected event does not occur, a client or Fund investor may incur a loss on the security. Distressed securities may have a limited trading market, limited liquidity and present valuation difficulties.
6. **Illiquid Securities:** Illiquid securities are securities that cannot be easily sold. Some of the securities held in the Funds and portfolios may be illiquid or become illiquid. Investments in illiquid securities can have an adverse impact on performance in the event that the security must be sold.
7. **Increase in Assets under Management:** The more money managed by UIA or the sub-advisers, the more difficult it may be to profitably trade securities. Large positions are usually more difficult to trade without adversely affect the security price.
8. **Employee Retirement Income Security Act ("ERISA"):** UIA is an ERISA fiduciary for all Funds, separately managed portfolios and all clients in Ullico Retirement Solutions. As an ERISA fiduciary, UIA and its sub-advisers are required to manage assets in accordance with certain rules outlined in ERISA. These rules may prohibit UIA and the sub-advisers from making certain investments that may otherwise be attractive.
9. **Initial Public Offerings:** The sub-advisers may purchase equity securities that are issued in initial public offerings ("IPO's). IPO's are the first sale of stock by a company to the public. Companies offering IPO's are often new, young companies without a long operating history. Therefore, IPO's are often riskier investments than public companies with longer operating histories.
10. **Limitations on Ability to Invest in 144A Securities:** The sub-advisers may purchase privately offered securities pursuant to Rule 144A under the Securities Act of 1933, as amended. These securities may only be resold to "qualified institutional buyers" as defined under Rule 144A. Therefore the liquidity of Rule 144A securities is limited. A sub-adviser who is not a "qualified institutional buyer" will not be able to participate in, or benefit from, Rule 144A offerings.
11. **Investment Restrictions:** UIA prohibits investment in companies identified on the AFL-CIO Boycott List. Prohibiting investment in these companies may adversely affect the investment performance of the Funds or separately managed portfolios.

12. Similar Investment Strategies: UIA may provide advice to other clients with similar investment strategies. This situation may create conflicts of interest in the purchase and sale of investments. UIA or its sub-advisers will allocate or rotate investment opportunities among all clients over time on an equitable basis.

## **ITEM 9: DISCIPLINARY INFORMATION**

None

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

### **A. Broker-Dealer Registration**

Ullico Investment Company (“UIC”), an affiliate of UIA, is a registered broker-dealer with the SEC and a member of the Financial Regulatory Authority. UIA management persons are registered representatives and principals of UIC. UIC does not make any independent recommendations to UIA clients.

### **B. Futures Commission Merchant, Commodity Pool Operator or Commodity Trading Adviser Registration**

UIA and its management persons are not registered nor do they have an application pending to register as a futures commission merchant, commodity pool operator, a commodity trading adviser (“CTA”), or an associated person of the foregoing entities.

As a sub-adviser for Cash Plus and Core strategies which manage Union Labor Life commingled separate account assets and as a sub-adviser for Intermediate Duration and Custom Fixed Income separately managed portfolios, UIA Investment Management, LLC relies on exemption from CTA registration pursuant to CFTC Regulation 4.14(a)(8). As a manager for Cash Plus, Core, Intermediate Duration and Custom Fixed Income separately managed portfolios, UIA relies on exemption from CTA registration pursuant to CFTC Regulation 4.14(a)(8).

### **C. Related Person Relationships**

UIC and its management persons market and sell the Funds advised by UIA. UIA pays placement agent fee to UIC for the services provided from investment advisory fees UIA receives from the Funds. UIC then pays commissions to its registered representatives. Neither the Funds nor the Fund investors incur an additional expense for the placement agent fee paid to UIC. Employees of UIA also work for UIC. UIC pays UIA for the cost of the services provided by UIA and its employees. Conflicts of interest may arise in the allocation of time and resources between UIA and UIC. Should a conflict of interest arise, UIA will mitigate the conflict by increasing available resources.

UIA manages a portion of the assets under management in the commingled insurance company separate accounts offered through a group annuity contract issued by Union Labor Life. Union Labor Life has a placement agent agreement with UIC under which UIC and its management persons market and sell the insurance company separate accounts. UIC then pays commissions to its registered representatives for the sale of the insurance company separate accounts.

Ullico Infrastructure Management Company, LLC (UIMC) is a majority owned subsidiary of UIA. UIMC is a Delaware LLC formed in October 2016 with a principal place of business in Chicago, IL. UIA has entered into a sub-advisory agreement with UIMC in connection with and in furtherance of its (and their collective) conduct of a single advisory business. Pursuant to the terms of that sub-advisory agreement, UIMC does not engage in client solicitation or general advertising and has no involvement in the client engagement processes of UIA. UIMC receives all investment management fees earned by the Ullico Infrastructure Tax-Exempt Fund, LP and the Ullico Infrastructure Taxable Fund, LP, less commissions. UIA, as a majority owner of UIMC receives up to 79% of the Relying Adviser's net income. UIMC is subject to supervision and control by UIA and is a Relying Adviser in reliance upon the SEC staff's no-action letter to the American Bar Association dated January 18, 2012. Conflicts of interest may arise between UIA and UIMC regarding allocation of income and resources between UIA and UIMC. UIA and UIMC will resolve these conflicts in accordance with the provisions contained in the agreements between the companies. UIA has retained UIMC as a sub-adviser when other investment advisers may be more qualified. UIA will mitigate this conflict through supervision of UIMC and monitoring of the investment strategy and process.

UIA Investment Management, LLC (UIA-IM) is a majority owned subsidiary of UIA. The ownership of UIA-IM may change depending on certain financial performance. UIA-IM is a Delaware LLC formed in November 2018 with a principal place of business in Chapel Hill, NC. UIA has entered into a sub-advisory agreement with UIA-IM in connection with and in furtherance of its (and their collective) conduct of a single advisory business. UIA-IM receives investment management fees on the allocated assets for management by Union Labor Life Separate Accounts J, W1, R, C and individually managed accounts. Initially, UIA, as a majority owner of UIA-IM receives up to 75% of the Relying Adviser's net income. UIA-IM is subject to supervision and control by UIA and is a Relying Adviser in reliance upon the SEC staff's no-action letter to the American Bar Association dated January 18, 2012. Conflicts of interest may arise between UIA and UIA-IM regarding allocation of income and resources between UIA and UIA-IM. UIA and UIA-IM will resolve these conflicts in accordance with the provisions contained in the agreements between the companies. UIA has retained UIA-IM as a sub-adviser when other investment advisers may be more qualified. UIA will mitigate this conflict through supervision of UIA-IM and monitoring of the investment strategy and process.

UIF GP, LLC, Ullico ISCF, LLC and Ullico DIFE, LLC which are the General Partners of Ullico Infrastructure Tax-Exempt Fund, L.P., Ullico Infrastructure Taxable Fund, L.P., Ullico International Small Cap Fund, L.P. and Ullico Diversified International Equity Fund, L.P., the Funds wholly owned by UIA, are filing as Relying Advisers in reliance upon the SEC staff's no-action letter to the American Bar Association dated January 18, 2012.

The Union Labor Life Insurance Company ("Union Labor Life"), an affiliate of UIA, is an insurance company registered in 50 states and the District of Columbia. Employees of UIA also work for Union Labor Life. UIA allocates the cost of services provided by UIA and its employees to Union Labor Life. Other affiliates of UIA include Ullico Casualty Group, LLC, Ullico Management Company, Unioncare LLC, Ullicare LLC, Ullico Captive PCC, Ullico Risk Solutions LLC, Ullico Labor Captive, IC and Ullico Organized Labor Protection Group LLC. Conflicts of interest may arise in the allocation of time and resources between UIA and Union Labor Life. Should a conflict of interest arise, UIA will mitigate the conflict by increasing available resources.

Christopher Lissner, President and Managing Member of Acropolis Investment Management, LLC, has been retained by UIA as a sub-adviser and is also a board member of Ullico Inc., parent company of UIA. Mr. Lissner may receive compensation from Ullico Inc. for his board service. UIA's



selection of Acropolis was made based on a review of its qualifications without regard to Mr. Lissner's service on UIA's parent's board and UIA will employ objective standards to monitor Acropolis' ongoing performance as a sub-adviser.

Union Labor Life manages portfolio assets in commingled accounts offered through a group annuity contract. UIA has been retained as an investment adviser for certain assets of the Union Labor Life separate accounts using the Cash Plus strategy. UIA has been retained as an investment adviser for the Ullico J for Jobs Collective Investment Fund ("CIF"), a collective investment fund established by Hand Benefits & Trust Company ("HBT") under the Hand Composite Employee Benefit Trust. UIA advises HBT regarding the investment of CIF subject to limitations set forth in the CIF Investment Policy Statement, provided by HBT. The CIF is an investor in Separate Account J. Union Labor Life does not provide any investment advisory services to HBT or to UIA or its clients. Conflicts of interest may arise in the allocation of time and resources between UIA and Union Labor Life. Should a conflict of interest arise, UIA will mitigate the conflict by increasing available resources.

#### D. Other Investment Advisers

With the exception of UIMC and UIA-IM, which are Relying Advisers and the affiliates of UIA, UIA selects unaffiliated sub-advisers to manage client and Fund assets and, with respect to Ullico Retirement Solutions, provide investment advice to plan sponsors. The sub-advisers are identified in Item 4 of this brochure. If the sub-advisers refer business to UIA or offer incentives that may benefit UIA but not its clients or Fund investors, UIA may be inclined to recommend the sub-advisers when other investment advisers are more qualified. To address this potential conflict, UIA has procedures for the selection of sub-advisers that uses objective criteria. In addition, UIA employs an independent third party to perform ongoing due diligence on the sub-advisers based on the Firm's criteria. Finally, pursuant to UIA's Code of Ethics, UIA has policies that prohibit its employees from accepting gifts or other incentives of more than nominal value.

#### E. Additional Information

1. UIA has arranged custodial and securities lending agreements with an unaffiliated qualified custodian on behalf of the Funds. If the unaffiliated qualified custodian refers business to UIA or offers incentives that may benefit UIA but not its clients or Fund investors, UIA may be inclined to retain the custodian when other custodians are more qualified or lower priced. To address this potential conflict of interest, UIA has procedures for monitoring the services provided by the unaffiliated qualified custodian. In addition, pursuant to UIA's Code of Ethics, UIA has policies that prohibit its employees from accepting gifts or other incentives of more than nominal value.
2. UIA is relying on the international adviser exemption in Canada should it provide advisory services to Canadian investors.

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

#### A. Code of Ethics Description

UIA has adopted a Code of Ethics ("Code") which describes acceptable business conduct and requires all employees to comply with federal and state securities laws. In addition, the Code subjects

all employees to certain trading restrictions and personal securities reporting requirements. The Code further requires that all employees report Code violations promptly. UIA's Code of Ethics will be provided to any client, prospective client, or current/ prospective Fund investor upon request.

**B. Recommendation of Securities where UIA or Related Party has a Financial Interest**

UIA wholly owns the General Partners of the Funds, which are organized as limited partnerships or group trusts, discussed in Item 8 of this brochure. Under the partnership and trust agreements, UIA receives payment for investment advisory fees from the limited partnerships or group trust. UIA does not invest in the limited partnerships or group trust, although an affiliate of UIA may invest in the limited partnerships or group trust. Union Labor Life is an investor in Ullico Infrastructure Taxable Fund, L.P. Union Labor Life pays the same investment advisory fees and is subject to the same provisions as other limited partners invested in Ullico Infrastructure Tax-Exempt Fund, L.P. and Ullico Infrastructure Taxable Fund, L.P. UIA has retained Ullico Investment Company, LLC, an affiliate, to solicit investments for the limited partnerships and group trust. Ullico Investment Company, LLC receives payment for its solicitation services from the investment advisory fees paid to UIA.

UIA has been retained as an investment adviser for the Ullico J for Jobs Collective Investment Fund ("CIF"), a collective investment fund established by Hand Benefits & Trust Company ("HBT") under the Hand Composite Employee Benefit Trust. UIA advises HBT regarding the investment of CIF subject to limitations set forth in the CIF Investment Policy Statement, provided by HBT. The CIF invests certain assets of the Fund in Separate Account J based on a recommendation from UIA. Separate Account J is managed by Union Labor Life, an insurance company registered in 50 states and the District of Columbia and an affiliate of UIA. Union Labor Life earns investment management fees from the CIF.

UIA has also been retained as an investment adviser for commingled insurance company separate accounts offered by Union Labor Life through a group annuity contract. Union Labor Life earns investment management fees from the separate accounts, and UIA is paid investment management fees by Union Labor Life from the investment management fees it receives for providing advisory services.

**C. Investment in Recommended Securities**

A UIA related person may invest in the same or related securities that UIA or a UIA sub-adviser recommends to clients. This situation presents a possible conflict of interest for UIA. To address the conflict of interest, the securities recommended by UIA or a UIA sub-adviser will not be communicated to any UIA related person in advance of buying or selling the recommended publicly traded security. Except in the case of the Cash Plus, Core, Intermediate Duration and Custom Fixed Income strategies, the persons that buy or sell securities for the related persons are not UIA employees and they are located in a different office. UIA's Code of Ethics imposes restrictions and requires pre-clearance in connection with trading in personal brokerage accounts the securities that are also traded as part of the Cash Plus, Core, Intermediate Duration and Custom Fixed Income strategies. UIA employees report all personal trades to the UIA Chief Compliance Officer within 30 days following the end of year calendar quarter for review and must obtain pre-approval for all investments in private placements and initial public offerings.

The Firm may receive material non-public information during the evaluation of certain portfolio transactions in the Funds and in the Cash Plus, Core, Intermediate Duration and Custom Fixed Income strategies. As such UIA has supervisory procedures regarding the handling of such material

information. The Firm also maintains a Restricted Securities List and communicates the list to its employees and Access Persons.

#### **D. Buying or Selling Recommended Securities**

UIA or a UIA sub-adviser may buy or sell securities for client accounts at or about the same time that a UIA related person buys or sells securities for the related person's own account. Item C above describes the practice, the potential conflict of interest and the steps taken to address the conflict of interest.

## **ITEM 12: BROKERAGE PRACTICES**

### **UIA and Sub-Advisers**

UIA and/or its sub-advisers place and execute orders for the purchase and sale of portfolio securities. With the exception of the Intermediate Duration, Cash Plus, Core and Custom Fixed Income investment strategies, UIA does not select any brokers or execute any trades. Generally, UIA's and its sub-advisers' primary objective is to seek the best combination of price and execution for each transaction. Among other things, UIA and/or its sub-advisers consider the size of the order, the broker's ability to complete and settle the transaction promptly and efficiently, UIA's and/or the sub-advisers' perception of the broker's reliability, integrity, knowledge of the market, willingness to commit capital, and broker's financial condition in determining the broker's execution capability. The amount of brokerage commission charged is also considered but it is not the decisive factor.

UIA's sub-advisers may have soft dollar compensation arrangements. Clients and Fund investors should refer to the Form ADV Part 2A brochures for the sub-advisers identified in Item 4 for a description of research and other soft dollar benefits received by each sub-adviser.

UIA does not have soft dollar compensation arrangements.

In cases of directed brokerage, UIA and/or its sub-advisers may be unable to achieve the most favorable execution of client transactions. Directed brokerage may cost clients more money. Clients who direct brokerage pay a higher brokerage commission or receive less favorable execution than might otherwise be possible. Directed brokerage practices may result in UIA's and/or the sub-advisers' inability to obtain volume discounts or best execution in certain transactions due to disparities in commissions charged for similar trades among client accounts.

Aggregation of security buys and sells is performed by UIA and/or the sub-advisers. Clients should refer to the sub-advisers' Form ADV Part 2A brochure for a description of the condition under which aggregation occurs.

### **Cash Plus, Intermediate Duration, Core, and Custom Fixed Income Strategies**

#### **A. Selection or Recommendation of Broker-Dealers**

UIA-IM places and executes orders for the purchase and sale of securities on behalf of client portfolios, and selects the dealers as governed by an Approved Dealer List. Criteria for dealer approval include dealer financial information and information available on the FINRA BrokerCheck

report. The senior management of the team jointly approve dealers for inclusion on the Approved Dealer List.

At times, traders may want to recommend a new dealer for consideration for the Approved Dealer List or for a one-time trade. For new additions, the senior management of the team will consider the above-listed criteria. For one-time exceptions, the trader needs to provide specific reasons why this exception would be in the best interest of the client portfolio. For example, a dealer may offer specialized expertise that suits the objectives of a client portfolio and/or inventory that is difficult to otherwise source.

The Approved Dealer List is monitored regularly to ensure that the dealers continue to meet the standards for selection and inclusion. Removal from the list could result from impaired financial conditions of the dealer, ongoing execution or settlement issues, compromised integrity of the dealer, or other organizational or market changes that may affect the dealer's ability to conduct transactions. The team monitors overall mark-to-market exposure and time to settlement on unsettled positions to ensure that dealer credit exposures are not unduly large.

Transactions are primarily executed on a principal basis which means that no brokerage commissions are charged. Dealers typically charge a bid-ask spread for the purchase or sale of a security. This spread is included in the price of a security and is not broken out from the price. Brokers charge separate fees or commissions for exchange-traded futures and options. The Cash Plus, Core, Intermediate Duration and Custom Fixed Income strategies rely on the Best Execution Policy which helps to ensure that the fees and spreads paid are reasonable.

The Cash Plus, Intermediate Duration, Core, and Custom Fixed Income strategy traders are governed by the Best Execution Policy that outlines a process for transactions on behalf of client portfolios. Under this policy, the UIA-IM seeks to maximize the value of a client portfolio under the particular circumstances existing at the time of a transaction and within each client's stated investment objectives and constraints. Criteria considered include, but are not limited to, the security price; the transaction costs; the order size; the dealer's ability to complete and settle the transaction promptly, accurately, and efficiently; the potential failure risk of the transaction; and our perception of the dealer's reliability, integrity, market knowledge, willingness to commit capital, and financial condition.

The fixed income investment team may post collateral directly to broker-dealers under an applicable collateral agreement, in lieu of posting to third-party custodians. Clients can request a waiver to this policy, after consultation with the team.

As part of its Written Supervisory Procedures UIA has in place procedures addressing the non-cash compensation including gifts which limits gifts amounts to an annual amount per person fixed by FINRA. In addition, UIA's Code of Ethics refers to Ullico Inc.'s Travel and Entertainment policy which sets limitations and the approval process on gifts and entertainment for its employees. In accordance with the above procedures the Compliance monitors gifts and entertainment given or received from dealers to help mitigate any potential conflicts of interest.

UIA-IM maintains an Error Policy that summarizes how the potential trade errors are identified, investigated, and addressed. A trade error is defined as an instance wherein the trader executes the wrong or an unintended trade for one or more client portfolios, regardless of whether or not the trade has settled or whether or not the trade had an economic impact on the client portfolio(s). Secondly, a trade error is deemed to have occurred if a trader allocates a trade to the wrong portfolio(s), regardless of whether or not the trade has settled, and it results in an economic impact to the client portfolio(s).

For commingled funds, an error that results in a temporary economic impact of five or greater basis points on the fund value over one or more days is considered a trade error. All trade errors are documented in the trade error log, and clients are notified of trade errors regardless of economic impact. The team investigates all situations that result in modifications to trade details entered into our trade blotter due to dealer, trader, or other error to determine if a trade error has occurred. For errors that generate an economic loss to a client portfolio, we reimburse the portfolio. In situations where the client portfolio benefits from the error, the client portfolio keeps the gain.

Cross trading generally refers to the practice where a security is traded directly between two accounts without recording the transaction on an exchange or executing through a dealer. The Cash Plus, Core, Intermediate Duration and Custom Fixed Income strategies do not engage in this practice, as we believe it could be perceived to favor one account over another, creating a potential conflict of interest. Given each client's unique investment objectives and constraints, there may be instances where the team is selling a security for one portfolio, and simultaneously or subsequently buying it for another portfolio. In these situations, the purchase and sale of the securities are conducted as two separate arms-length transactions through an independent broker-dealer.

1. Research and Other Soft Dollar Benefits: UIA-IM receives research from dealers and other third parties; however, UIA-IM does not receive research or other products or services from a dealer or a third party in connection with client securities transactions, nor do they have soft dollar arrangements. The UIA Fixed Income strategies do not generate soft dollars, and does not direct client transactions to particular dealers in return for research or other benefits, other than execution. Clients invested in these strategies pay the same amount of commissions, mark-ups, or mark-downs from dealers regardless of the receipt of research, and access to research is not contingent upon committing any business to a dealer. The research received from dealers is used to benefit all client portfolios.
  - a. Client Brokerage Commission Used to Obtain Research: Not applicable
  - b. Incentives to Select Broker-Dealers: Not applicable
  - c. Higher Commissions for Soft Dollar Benefits: Not applicable
  - d. Allocation of Soft Dollar Benefits: Not applicable
  - e. Types of Products and Services Acquired with Commissions: Not applicable
  - f. Procedures to Direct Transactions to a Broker-Dealer: Not applicable
2. Brokerage for Client Referrals
  - a. Incentives to Select Broker-Dealers: UIA-IM does not compensate third-party broker-dealers for client referrals.
  - b. Procedures to Direct Transactions to a Broker-Dealer: Not applicable
3. Directed Brokerage
  - a. Practice to Direct Transactions to a Broker-Dealer: UIA-IM does not recommend, request, or require that a client direct the team to execute transactions through a specified broker-dealer.
  - b. Client Directed Brokerage: Clients can request that trades be directed to a specific broker-dealer or through a list of broker-dealers; however, this may affect the team's ability to achieve best execution.

## B. Aggregation of Security Buys and Sells

Traders may enter an aggregate order for the same security on behalf of more than one client portfolio, if such aggregation lies in the best interest of all participating client portfolios.

## **ITEM 13: REVIEW OF ACCOUNTS**

- A. Review of Client Accounts: Internally, UIA and its sub-advisers continuously review client and Fund investor accounts. Accounts are reviewed with clients and Fund investors on a mutually agreed upon schedule. The supervised persons who may conduct the reviews include Officers of UIA or their designees.
- B. Factors that Trigger Additional Reviews: Additional reviews may be needed due to a significant change in the investment policy, poor investment performance of the portfolio or Fund or other significant market events.
- C. Client Reports: With the exception of Ullico Infrastructure Tax-Exempt Fund, L.P. and Ullico Infrastructure Taxable Fund, L.P. clients, clients and Fund investors are provided monthly written reports. Ullico Infrastructure Tax-Exempt Fund, L.P. and Ullico Infrastructure Taxable Fund, L.P. clients receive quarterly reports. The monthly and quarterly reports include the current value of the client's or Fund investor's investment, the investment performance, a list of any transactions, and may include a list of current portfolio investments.

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

- A. Economic Benefits Received from Third Parties for Providing Advisory Services: Ullico Investment Company ("UIC") is an SEC registered broker-dealer, member of FINRA and an affiliate of UIA. UIC markets and sells the Funds advised by UIA and UIA remits a placement agent fee to UIC for the services provided. UIA employees also work for UIC. UIC pays UIA for the cost of services provided by UIA and its employees. Conflicts of interest may arise in the allocation of time and resources to UIC. UIA reviews the time and resources allocated to UIC on a quarterly basis.

UIA has been retained as an investment adviser for commingled insurance company separate accounts offered by Union Labor Life through a group annuity contract. Union Labor Life earns investment management fees from the separate accounts, and UIA is paid investment management fees by Union Labor Life from the investment management fees it receives for providing advisory services.

Union Labor Life is an insurance company registered in 50 states and a UIA affiliate. UIA employees provide services to Union Labor Life and UIA allocates the cost of services provided to Union Labor Life. Conflicts of interest may arise in the allocation of time and resources to Union Labor Life. UIA reviews the time and resources allocated to Union Labor Life on a quarterly basis.

UIA is a wholly owned subsidiary of Ullico Inc. By service agreement, Ullico Inc. provides UIA with the personnel and internal resources necessary to provide accounting, tax, human resources, and some recordkeeping. Conflicts of interest may arise as a result of the cost of services provided by Ullico Inc. to UIA. UIA reviews the costs on a quarterly basis.

Ullico Infrastructure Management Company ("UIMC") receives all management fees generated by the Ullico Infrastructure Tax Exempt and Taxable Funds less commission paid by UIC for the sale of

the Funds. UIMC is responsible for certain direct expenses, including overhead expenses payable to UIA. UIMC retains at least 21% of the company's net income, while UIA receives up to 79% of the net income. Conflicts of interest may arise in the allocation of expenses, which are reviewed quarterly.

UIA Investment Management, LLC ("UIA-IM") receives investment management fees on the allocated assets for management by Union Labor Life Separate Accounts J, W1, R, C and individually managed accounts. UIA-IM is responsible for certain direct expenses, including overhead expenses payable to UIA. Initially, UIA-IM retains at least 25% of the company's net income, while UIA receives up to 75% of the net income. The ownership of UIA-IM may change depending on certain financial performance. Conflicts of interest may arise in the allocation of expenses, which are reviewed quarterly.

- B. Compensation to Third Parties for Client Referrals: UIA may provide non-cash compensation to employees of unaffiliated consulting firms through entertainment functions and dinners. The unaffiliated consulting firms may provide services to UIA's current and prospective clients. The provision of non-cash compensation to unaffiliated consulting firms may influence the consulting firms to recommend UIA's products and services to current and prospective clients.

## **ITEM 15: CUSTODY**

With the exception of Ullico Infrastructure Tax-Exempt Fund, L.P. clients, Ullico Infrastructure Taxable Fund, L.P. clients, and the management services provided by UIA to Union Labor Life's commingled separate accounts, investors in the Funds receive account statements from the qualified custodian and from the Firm. Investors are urged to compare the account statement they receive from the qualified custodian to those received from the Firm. Investors in the Funds also receive audited financials on an annual basis.

## **ITEM 16: INVESTMENT DISCRETION**

UIA accepts discretionary authority to manage securities on behalf of the Firm's clients and Funds except with respect to Ullico Retirement Solutions and Ullico J for Jobs Collective Investment Fund ("CIF"). With regard to the Funds managed by UIA, Fund investors do not have any authority to place limits on UIA's discretionary authority. UIA's discretionary authority limitations are outlined in the limited partnership or group trust documents for each Fund.

With regard to separately managed portfolios, clients may place limits on UIA's discretionary authority. UIA's discretionary authority limitations are included in the Investment Management Agreement between UIA and the client.

UIA, without approval or vote of any limited partners but subject to applicable law, may enter into side letters or other written agreements with one or more limited partners or investors in the Funds which may alter or supplement the terms of a Partnership Agreement or other Fund document applicable with respect to such limited partner or investor.

With respect to Ullico Retirement Solutions, where UIA agrees to act as a fiduciary solely under ERISA Section 3(21), neither UIA nor Acropolis takes discretionary control over the investment selections for the plan, and the plan sponsor makes all decisions regarding the selection of the investment line-up for the

plan. Where UIA also agrees to act as a fiduciary under ERISA 3(38), Acropolis, as the sub-adviser, has the discretion to implement and/or change any selection for the investment line-up for the plan. In all cases, neither UIA nor Acropolis has authority to make investment decisions on behalf of plan participants.

With respect to CIF, UIA advises Hand Benefits & Trust Company (“HBT”) regarding the investment of assets of the CIF subject to limitations set forth in the CIF Investment Policy Statement.

## **ITEM 17: VOTING CLIENT SECURITIES**

### **A. Voting Policies and Procedures Description:**

UIA has retained Segal Marco Advisors (“Segal Marco”), a third party proxy voting agent to vote all proxies for the securities it manages in accordance with the terms and conditions of Employee Retirement Income Security Act, as amended, and the policies and procedures adopted by the Firm in accordance with SEC Rule 206(4)-6. Except as noted below, all proxies will be voted in accordance with the proxy voting policies published by the American Federation of Labor and Congress of Industrial Organizations (“AFL-CIO”). In those cases where the AFL-CIO proxy voting policies do not provide voting guidance, UIA will direct Segal Marco to vote in accordance with the voting recommendations provided by Segal Marco. Segal Marco is a pension consultant that from time to time introduces clients and investors to the Firm. The selection of Segal Marco as UIA's proxy voting service was made by an objective review of the services it provides and its qualifications, without regard to the current relationship Segal Marco has with UIA.

Although many proxy proposals can be voted in accordance with these established guidelines, UIA recognizes that some proposals require special consideration, which may require an exception to the guidelines. The basis for such exceptions will be documented and kept on file. In certain circumstances, the Firm has directed Segal Marco not to vote proxies received if it is in the client's best interest to abstain from voting. This situation will generally arise if UIA determines that the cost of voting the proxy exceeds the expected benefit to the client. In the case of international equity securities, some countries impose a practice called “share blocking”. Share blocking does not permit a shareholder to sell a security during the time period between voting a proxy and the shareholder meeting. UIA has directed Segal Marco not to vote any securities subject to share blocking since the Firm believes the benefit of being able to sell a security at any time outweighs the benefit of voting a proxy. Other foreign countries have market practices whereby shareholders are required to re-register their shares prior to the shareholder meeting date, which then effectively blocks the shares from being traded. While it is not termed “share blocking”, the end result is the same as share blocking. UIA has directed Segal Marco not to vote proxies for any company where voting a proxy delays or prohibits trading of the company's shares.

**Client Direction of Proxy Voting:** Clients with separately managed portfolios may direct the proxy voting for a specific security by providing written notification to UIA. The written notification must be received by UIA no later 30 days prior to the voting deadline. Clients who invest in the Funds may not direct proxy voting.

**Conflicts of Interest:** When a proxy proposal raises a material conflict of interest between the interest of the Firm and the client, UIA has adopted procedures to address such conflicts. UIA will disclose the conflict of interest to the client and either obtain the client's permission before voting the security, ask the client for instructions on how to vote the proxy or obtain a recommendation from a third party.



Proxy Voting Reports: UIA provides reports to clients on an annual basis regarding how proxies were voted. Upon written request, UIA will provide clients with proxy voting information prior to the annual report.

Proxy Voting Policies and Procedures: Client and prospective clients may obtain a copy of UIA's proxy voting policies and procedures by contacting UIA.

- B. Proxies Not Voted by UIA: A client with a separately managed portfolio may reserve the right to vote proxies either themselves or through a third party of their choosing by advising UIA in writing. If a client elects to vote proxies themselves or through a third party, the client is responsible for providing their custodian with proxy delivery instructions.

## **ITEM 18: FINANCIAL INFORMATION**

UIA does not require prepayment of any investment advisory fees and has not been the subject of a bankruptcy petition at any time during the past ten years. Therefore, UIA is not required to provide a balance sheet in the Form ADV Part 2A brochure.

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

Not Applicable