



FORM ADV – PART 2A: Firm Brochure

1999 Avenue of the Stars, Suite 3200
Los Angeles, CA 90067
310-229-1500
www.belair-llc.com

March 20, 2020

This Brochure provides information about the qualifications and business practices of Bel Air Investment Advisors LLC (“Advisor” or “Bel Air”). If you have any questions about any of the information in the Brochure, please contact our Chief Compliance Officer at 310-229-1500. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority. Registration with the SEC or state authority does not imply a certain level of skill or training.

Additional information about Bel Air also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

Since the last annual amendment of this Brochure on March 27, 2019, there have been no material changes to report. This Brochure also includes various updates to clarify and enhance certain of Bel Air's existing disclosures. We recommend that you read this Brochure in its entirety.

Item 3 – Table of Contents

Item 1 – Cover Page	i
Item 2 – Material Changes	ii
Item 3 – Table of Contents	iii
Item 4 – Advisory Business	1
Item 5 – Fees and Compensation	1
Item 6 – Performance-Based Fees and Side-By-Side Management.....	3
Item 7 – Types of Clients	3
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss	4
Item 9 – Disciplinary Information	5
Item 10 – Other Financial Industry Activities and Affiliations.....	5
Item 11 – Code of Ethics.....	7
Item 12 – Brokerage Practices	9
Item 13 – Review of Accounts.....	14
Item 14 – Client Referrals and Other Compensation	14
Item 15 – Custody.....	14
Item 16 – Investment Discretion.....	15
Item 17 – Voting Client Securities	15
Item 18 – Financial Information	15

Item 4 – Advisory Business

Bel Air was founded in 1997 and is registered as an investment advisor with the SEC. Bel Air is wholly owned by Fiera U.S. Holding, Inc. (“Fiera U.S.”), a holding company that is wholly owned by Fiera Capital Corporation (“FCC”), an investment advisor based in Montreal, Canada. Fiera U.S. and FCC are collectively referred to herein as “Fiera.”

Bel Air provides investment advisory services to a variety of individuals, families, trusts, and institutional and corporate clients. Advisor provides investment advisory services primarily through separate accounts by managing such assets directly and in combination with the use of mutual funds, exchange-traded funds (“ETFs”), and other pooled investment vehicles. Advisor maintains several investment strategies that it manages internally. In managing accounts, Advisor will structure client portfolios to account for client-specific needs and limitations, investment objectives and goals, and risk tolerance. In addition, Bel Air may retain sub-advisors for other specialized investment strategies.

Advisor also provides consulting services to advise clients about investments, investment advisors and/or pooled investment vehicles (i.e., hedge funds) to be retained or invested in, as applicable, directly by the client. Advisor evaluates investment advisors and particular investment strategies or vehicles, and if subsequently engaged or invested in, as applicable, by or on behalf of a client, monitors the activities of such investment advisors, strategy or vehicle for adherence to client investment objectives and risk considerations. Advisor also assesses each recommended investment advisor’s level of performance and recommends to clients whether to continue the relationship.

As of December 31, 2019, Advisor had assets under management of approximately \$9.07 billion on a discretionary basis and approximately \$16 million on a non-discretionary basis.

Item 5 – Fees and Compensation

Advisor receives an annual management fee of up to 1.10%, depending on the size of the account, nature of the investment strategy, services provided to the client, and whether a sub-advisor or fund is retained to pursue a particular strategy for the client. Fees are negotiable at Advisor’s sole discretion, and not all clients pay the same fee. Fees are charged quarterly in arrears based on the average of the value of the assets in the accounts as of the end of each month. Advisor prorates the fee for the initial period and at the end of the relationship.

Advisor typically charges an annual fee of 0.25% to 1.10% for equity strategies and 0.055% to 0.50% for internally managed fixed income strategies. The fee for allocation to outside managers and/or sub-advisors and/or Designated Affiliated Funds (defined below) (not including the U.S. Equity Strategy) typically ranges from 0.25% to 0.65%. Fees may be negotiated outside of these ranges in the Advisor’s discretion.

If a sub-advisor is engaged by a client, the client will pay the fee charged by the sub-advisor as an asset management fee, as well as an oversight fee to Advisor. Similarly, if a client invests in mutual funds, ETFs or other pooled investment vehicles, there will be costs at the fund level (e.g., the expense ratio, management fees, performance fees, etc.) as well as an oversight fee paid to

Advisor. As such, with respect to investments made in Designated Affiliated Funds (as defined below), clients will pay fees and expenses (including management fees payable to affiliates of the Advisor) attributable to such Designated Affiliated Funds in addition to the advisory fees payable by such client to the Advisor (depending on the Designated Affiliated Fund). This presents a potential conflict of interest in that it may create an incentive for Advisor to recommend investment products or funds to clients based on the compensation to be received by Advisor or its Affiliates (see Item 10).

Advisor relies on valuations provided by third-party managers when calculating certain advisory fees, and there is a risk that those valuations may be inaccurate.

When acting solely as an investment advisory consultant, Advisor is paid a fixed fee or a fee based on a percentage of the assets monitored by Advisor. The fixed fee arrangements are charged quarterly in arrears. The fee arrangements based on a percentage of the assets monitored by Advisor are charged quarterly in arrears based on the average of the value of the assets in the accounts as of the end of each month. The fee arrangement for Advisor's consulting services is negotiated with each client.

Clients will be charged brokerage commissions (for equity, options, and ETF transactions) and ticket charges (which are applied to most transactions). For mutual funds, ETFs or other pooled investment vehicles, investors will incur fund level expenses (commonly referred to as the "expense ratio"). Advisor's fees are exclusive of brokerage commissions, transaction fees and other related costs and expenses which will be incurred by the client. Where Advisor has the authority to determine or select the broker, clients typically pay the same commission rate whether the transaction is executed through Bel Air Securities LLC (Advisor's affiliated broker-dealer ("BAS")) or through a prime or executing broker.

In selecting mutual funds, Advisor seeks funds that have the most favorable expense ratios available (based on the client's ability to qualify for the applicable share class) and, when feasible, does not impose sales charges or Rule 12b-1 fees (e.g., distribution fees). There will be circumstances in which a mutual fund that is selected for client investments will pay or incur such charges (which will be incurred by the client through ownership of the mutual fund). For those funds for which there is a Rule 12b-1 fee or sales charge, BAS usually will receive these related fees when permissible. Mutual funds that pay 12b-1 fees or sales charges may have share classes that do not pay such fees or sales charges. Investing, or remaining invested, in share classes that pay 12b-1 fees will generally reduce the overall return of such investments in comparison to non-12b-1 share classes (when available) of the same mutual fund.

Due to the common ownership between Advisor and BAS, when BAS receives a fee or commission, the economic benefit will be received by the owner of Advisor. This presents a potential conflict of interest in that it may create an incentive to recommend investment products or funds based on the compensation received rather than solely on the needs of the client. Advisor will only effect transactions through BAS, however, when it is consistent with its duty to its clients. Clients have the option to purchase securities (including mutual funds) through other brokers or agents not affiliated with Advisor; however, such investments might be subject to different expenses (such as a different expense ratio for differing share classes) and will be subject to the charges imposed by the other broker-dealer. Advisor does not typically reduce its advisory fee to offset any Rule 12b-1 fee, commissions, or other expense incurred by clients except as required by applicable law.

Advisor may make investments on behalf of clients in Designated Affiliated Funds with respect to which fees and expenses (including management fees) will be payable to affiliates of the Advisor.

Bel Air recognizes the concerns or potential conflicts related to recommending investments in Designated Affiliated Funds. For example, the Advisor may have a motivation to refer clients to invest in a fund for which another Advisor affiliate receives a management fee. Additionally, employees of Advisor invest in Designated Affiliated Funds or place orders through BAS at a waived or reduced fee or commission rate. Given these concerns, Advisor regularly monitors the investment activities of its client portfolios. Furthermore, Bel Air believes that having its employees invested in Designated Affiliated Funds, aligns the interests of its employees (as well as Advisor) with the interests of clients.

BAS has entered into a Fully Disclosed Clearing Agreement with Pershing LLC ("Pershing"). The clearing agreement provides that BAS will use Pershing as its clearing agent. For transactions processed by or through Pershing, clients are typically charged a fee (which is described as a "ticket charge" or "service fee" on the trade confirmation) and, for equity, option and ETF trades, a commission. Under the terms of the agreement, Pershing provides various services, including processing transactions and acting as custodian of assets for clients of BAS and Advisor. BAS receives from Pershing the commissions charged on transactions through BAS. BAS also receives various credits from Pershing, including a monthly credit for business development and growth initiatives. Advisor also received a one-time payment from Pershing to cover the transition and establishment expenses for the conversion of all business from its previous clearing agent. In addition, BAS receives other compensation from Pershing, including a portion of the amounts earned on free credit balances, as well as a portion of the interest charged by Pershing on debit balances and short positions, and a portion of the rebates or distribution fees paid to Pershing on mutual fund balances (when permitted). Revenue generated by BAS and items of value received by BAS through the clearing arrangement with Pershing will benefit the owners of Advisor due to the common ownership. Advisory fees paid by clients are not typically reduced or offset by these sources of income or benefits unless required by law. In some instances, Pershing may charge the account other administrative or trading related fees (e.g. maintenance fees or termination fees). BAS commission rates are negotiable, and commissions charged to Advisor's clients vary by client.

Clients may choose to have advisory fees deducted quarterly from their custodial account to facilitate billing, or to be invoiced quarterly. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, all earned, unpaid fees will be due and payable.

Other custodial firms used by the client may charge additional fees or expenses, which may include transaction fees on purchases or sales of securities, custodial fees, and/or account maintenance fees.

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

Advisor does not currently charge performance-based fees.

Item 7 – Types of Clients

Advisor provides investment advisory services to high net worth individuals, their family members, related investment vehicles and trusts, as well as, charitable institutions, foundations, and other institutional clients. Advisor targets clients that typically have investable assets of at least \$20

million. Advisor will, as an accommodation and/or in its discretion, accept clients that have fewer investable assets.

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

Methods of Analysis. In providing investment advisory services, Advisor's analysis methods include a review of the fundamentals of the securities recommended for client accounts, other fundamental analyses, technical factors (including at times, review of charting) as well as the cyclical elements of the securities markets (to a more limited extent) and economic cycles. While a number of different factors, data and information will be considered and used by Advisor in making securities selection decisions, the primary method used by Advisor is fundamental analysis.

Investment Strategies. Advisor offers its investment advisory services principally through different investment strategies or platforms. The features of the individual strategies are typically discussed with clients prior to investing in the corresponding strategies. Each investment or investment strategy employed by Advisor for client accounts will be subject to various risks that apply to all investments generally, including market risks, certain liquidity risks, risk of loss of principal, changes in micro and macro-economic factors and environment, and the ability of the corresponding portfolio manager to select securities that provide favorable returns.

Each strategy used (whether one of the internally managed strategies, a strategy managed by an affiliate, or a strategy/investment managed by a third-party) may engage in frequent trading (depending on market conditions and the performance of the individual securities identified for the strategy), and certain strategies do engage in such trading. Such trading, particularly when there is an additional expense or cost associated with the transaction, can adversely affect performance.

Risk of Loss. Investing in securities involves risk of loss that clients should be prepared to bear. As with all investments, there are risks inherent in investing in securities, which risks vary depending on the nature of the investment, the strategy pursued, the type of instrument used to pursue or give effect to that strategy, the conditions and performance of the U.S. and global economies, as well as the performance/financial condition of the individual company or entity issuing the security. As with all investments, the value of the investment at the time of sale will fluctuate and might be greater or less than the value at the time of purchase. Primary risks inherent in investing in the types of securities used for client accounts include: risk of loss of principal; interest-rate risk; credit risk; reinvestment risk; economic risk; political risks and currency risk (principally for foreign securities); liquidity risk; risk of default; inflation and market volatility in general.

While Advisor seeks to assess the merits of investing in a particular security based on the perceived risks and potential rewards, there are no assurances that Advisor's assessments will be correct or that subsequent events or company or market changes will not render the assessment incorrect at a later time.

Investments in pooled investment vehicles (including, but not limited to, Designated Affiliated Funds, individual mutual funds and ETFs, and alternative investments) incur various risks, many of which are specific to the particular investment vehicle. For example, certain alternative investments (e.g. private equity) are illiquid, requiring capital commitments (potential capital calls) over several years and no ability to withdraw capital or otherwise liquidate for even longer. Each

pooled vehicle has a detailed discussion of risks that are applicable to it as part of its private placement memorandum or prospectus/statement of additional information. Investors are encouraged to review those documents in advance of any investment for a complete discussion of those risks.

Clients may request Advisor to identify and/or review certain types of investments not on Advisor's multi-manager platform. In those circumstances, Bel Air may perform preliminary and limited information-gathering regarding specific opportunities as a courtesy. However, Advisor generally will not conduct investigations or inquiries into those or other investment opportunities and will not take any steps to verify or analyze information received.

Depending on individual client circumstances, Advisor may recommend investments in alternative investments (e.g. hedge funds and private equity) not included as part of Advisor's multi-manager platform. These types of alternative investments that are not on Advisor's platform do not receive the same level of monitoring and oversight Advisor typically performs for managers on the platform.

Item 9 – Disciplinary Information

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

Item 10 – Other Financial Industry Activities and Affiliations

Advisor is under common control with BAS, Fiera, and Fiera Capital Inc. ("FCI"). Each affiliate of Advisor described in Item 10 is referred to as a "Related Person" and collectively "Related Persons." Advisor's relationships and potential or actual conflicts of interests with these Related Persons are further described below.

Other Affiliations

Advisor selects or recommends other advisors for clients, both as part of its consulting services and as an investment advisor (i.e., the multi-manager platform). Other investment advisors are identified and selected based on a number of factors, the primary one of which is the advisor's ability to perform in managing assets in asset classes for which it has indicated expertise. Advisor recommends or selects such advisors either directly (through separately managed accounts held in the name of the relevant client) or through an investment vehicle, such as a mutual fund or alternative investment (such as a hedge fund).

On a very limited basis, and only with disclosure and client consent, Advisor will receive compensation for recommending another advisor to client. When such arrangements occur, Advisor's practice is to apply the compensation received from the other advisor as an offset to the fee the client would have otherwise paid to Bel Air.

Bel Air Securities LLC ("BAS") and Pershing LLC ("Pershing")

BAS has entered into a clearing agreement with Pershing under which Pershing acts as custodian and clearing agent for Advisor's clients and BAS's customers whose assets are custodied at

Pershing. As noted in Items 5 and 12 of this Brochure, BAS receives various credits and items of value from Pershing. For those clients who elect to custody cash and securities elsewhere, Pershing may, at the direction of Advisor, assist in clearing trades to settle at client's designated custodial broker or bank. There might be additional fees charged by the designated broker or custodian which will be borne by such clients.

Clients of Advisor generally will authorize Advisor to execute securities transactions through BAS as introducing broker. BAS will receive commissions for client trades that it handles as well as income and other benefits resulting from BAS's clearing agreement with Pershing. BAS will also receive fees for acting as placement agent in a limited number of instances for pooled investment vehicles in which clients of Advisor invest. By virtue of the common ownership of Advisor and BAS, the owners of Advisor will indirectly receive (through the corresponding ownership of BAS) the economic benefit of the commissions and other sources of income noted above. In addition, BAS may choose to pay a portion of any such commissions and income to its registered representatives that are also employed by Advisor. As a result of the common ownership and payment of commissions, BAS may have a conflict of interest in limiting commissions and other transaction costs when executing brokerage transactions for advisory clients. Moreover, due to the common ownership between Advisor and BAS, there are inherent limitations regarding the negotiation of commission rates for transactions handled by BAS. BAS commission rates are negotiable, and commissions charged to Advisor's clients vary by client.

Employees of Advisor may receive, directly or indirectly, a portion of certain fees, concessions or other remuneration when they make personal investments in unregistered investment pools or other investments. Such benefits might not typically be available to clients, and therefore, employees of Advisor may receive a benefit in connection with client transactions or transactions in the same securities as those purchased by clients. In addition, and unlike transactions executed for the benefit of Advisor's clients, securities transactions executed through BAS on behalf of Advisor's employees and most family-related accounts are processed with reduced or waived commission charges. Although commissions are not charged to these employees and family-related accounts, they do pay clearing expenses to BAS which expenses are similarly paid by Advisor's clients. Advisor's employees and their related accounts will continue to receive the benefit of reduced or commission-free trading regardless of the amount of client transactions placed with BAS.

Fiera Capital Inc. ("FCI")

FCI, an SEC registered investment advisor, is a related person of Bel Air through common ownership by Fiera U.S. Bel Air receives a model portfolio for a U.S. Equity Strategy from a portfolio management team at FCC. This portfolio management team at FCC is treated as a person "associated with" FCI. Each Bel Air client account in the U.S. Equity Strategy is managed separately and may not exactly track the strategy due to market conditions and individual client circumstances.

Bel Air allocates client assets to investment vehicles managed by FCC and/or FCI ("Designated Affiliated Funds"). Therefore, clients invested in Designated Affiliated Funds will pay a Bel Air advisory fee (in certain circumstances) in addition to any fees and expenses associated with the Designated Affiliated Funds. The fees generated from the clients' investment in these Designated Affiliated Funds will benefit an affiliated company of Advisor, which, in turn, pays a portion of the revenues generated to Advisor. This can present a conflict of interest as the Advisor has a financial incentive to allocate client assets to these Designated Affiliated Funds. Advisor will only recommend investments, when recommendations are appropriate, in Designated Affiliated Funds

when the investment is consistent with the relevant client's investment objective, goal, and risk profile. Advisor's policies and procedures are designed to result in the Advisor effecting transactions for clients in a manner that is consistent with its fiduciary duty to its clients and in accordance with applicable law. Moreover, Advisor regularly monitors the investment activities of its client portfolios and employee accounts.

Currently, the Designated Affiliated Funds include the Fiera Capital Global Equity Focused Fund ("Fiera Global") and the Fiera Capital Equity Allocation Fund ("Fiera Allocation"). Bel Air expects that FCI will pay Bel Air .15% of any fees FCI receives that are attributable to a Bel Air client or employee investment in Fiera Global. With respect to any Bel Air client invested in Fiera Global, and whether or not Bel Air actually receives any such payment from FCI, Bel Air will reduce the advisory fee payable by such client for outside managers by .15% for this investment. Bel Air's Chief Investment Strategist is affiliated with FCI. In his role with FCI, he serves as a co-portfolio manager of Fiera Allocation. In recognition of the resources made available by Bel Air to FCI, FCI has agreed to pay Bel Air a fee based on the amount of assets invested in Fiera Allocation. Bel Air does not charge its clients an advisory fee for their investments in Fiera Allocation. The amount of fees FCC and/or FCI pays to Advisor in respect of Designated Affiliated Funds is subject to change at the agreement of FCC/FCI and Advisor.

Advisor anticipates that, in appropriate circumstances and consistent with clients' investment objectives, it will cause accounts over which Advisor has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which Advisor, its affiliates and/or clients, directly or indirectly, have a position or interest. In addition to the foregoing, in appropriate circumstances and consistent with clients' investment objectives, Advisor has caused or may cause accounts over which Advisor has management authority to effect, and will recommend to investment advisory clients or prospective clients, the allocation of capital to accounts or investment vehicles advised and/or controlled by one or more affiliates of an indirect investor in Advisor without any reduction in the compensation payable to Advisor by such clients. As a result, advisory fees paid by, or charged to, such accounts or investment vehicles would benefit an indirect investor in Advisor and, thus, Advisor would be subject to a conflict of interest when making these investments or recommendations.

Item 11 – Code of Ethics

Code of Ethics and Personal Trading. Advisor has adopted a Code of Ethics (the "Code") for all supervised persons of the firm describing its high standard of business conduct and fiduciary duty to its clients. Included within the Code is a policy to conduct Advisor's activities in accordance with the highest ethical standards and in accordance with all applicable laws and regulations. In addition, the Code provides that employees are required to provide Advisor with information as to securities transactions and holdings in employee accounts. (For purposes of the policy, an employee's or principal's "personal account" generally includes any account (a) in the name of the employee or principal, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which the employee or principal is a trustee or executor, or (c) which the employee or principal controls. Also, certain non-public investment opportunities are brought to Advisor's attention through personal relationships with Advisor's employees or affiliates (instead of client account activity) and clients may not be given the opportunity to invest in these securities absent unusual circumstances. Instead, Advisor's employees or affiliates may invest in these non-public securities for their own accounts.

All supervised persons must acknowledge the terms of the Code initially upon the commencement of employment, annually, and upon a material amendment to the Code. A copy of Advisor's Code is available upon request.

Participation or Interest in Client Transactions. In the course of providing advisory services, Advisor may simultaneously recommend the sale of a particular security for one account while recommending the purchase of the same security for another account if such recommendations are consistent with each relevant client's investment objectives and guidelines. In certain circumstances, Advisor will give effect to such recommendations through "crossing transactions" for clients without causing these clients to incur brokerage commissions or transaction charges (clients, will however, pay applicable ticket and clearing charges).

In certain circumstances, and in compliance with applicable laws, Advisor will execute "agency cross" transactions when it has an advisory client effecting a transaction and a brokerage customer of BAS on the other side of the trade. These types of transactions are distinct from "crossing" transactions where advisory clients are on both sides of the transaction. In "crossing" transactions, clients do not pay transaction-based compensation to BAS or any other broker-dealer for effecting such transactions; clients do pay, however, a ticket charge for clearing services. These crossing transactions occur when they are in the best interests of the advisory client to enter into them. In these circumstances, Advisor will effect such agency cross transactions in accordance with Rule 206(3)-2 under the Investment Advisers Act of 1940, as amended (the "Advisers Act") (See Item 12 below).

When affecting a cross transaction pursuant to a fixed income strategy between advisory clients, Bel Air will value the cross-trade as follows. In certain circumstances, obtaining market quotes is not feasible or practical for certain fixed income instruments. For fixed income securities that are commonly priced at par, such as Variable Rate Demand Notes, those cross trades will be effected at par. When affecting a cross trade for all other fixed income products, Bel Air will obtain market quotes from unaffiliated broker/dealers, and effect these transactions at the highest quoted bid price. Bel Air recognizes that using the highest quoted bid price in these circumstances may be viewed as giving an advantage to the seller over the buyer. However, given the manner in which Bel Air manages fixed income strategies for Advisory clients, Bel Air believes such valuation procedures are in the best interest and most fair to both clients of a cross transaction. If market quotes are not available, Bel Air will contact an unaffiliated broker-dealer to provide an indicative mid-market level, and then compare that level to the current evaluation as shown by Pershing LLC, and will price at the indication received. Bel Air does not act as a market maker, engage in proprietary trading, hold bonds in inventory, charge commissions, or apply mark-ups or mark-downs to fixed income transactions executed pursuant to the strategies offered by BAIA.

Advisor may recommend to clients the purchase or sale of securities in which it, or its owners, officers, employees, or related persons have a financial interest, including the U.S. Equity Strategy, and any fund advised by FCI (including Designated Affiliated Funds). Moreover, Advisor permits its employees to engage in personal securities transactions. It is possible that owners, officers, employees, or related persons of Advisor may buy or sell securities or other instruments that Advisor has recommended to clients and may engage in transactions for their own accounts in a manner that is inconsistent with Advisor's recommendations to a client. Personal securities transactions by employees may raise potential conflicts of interest when such persons trade in a security that is owned by, or considered for purchase or sale for, a client. Advisor has adopted policies and procedures designed to detect and prevent such conflicts of interest. When such conflicts do arise, the policies and procedures are designed to result in the Advisor effecting transactions for clients in a manner that is consistent with its fiduciary duty to its clients and in

accordance with applicable law. Persons associated with Advisor who wish to purchase or sell securities of the types purchased for clients may do so only in a manner consistent with Advisor's fiduciary obligations.

Advisor anticipates that, in appropriate circumstances and consistent with clients' investment objectives, it will cause accounts over which Advisor has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which Advisor, its affiliates and/or clients, directly or indirectly, have a position or interest. In addition, there will be circumstances in which Advisor personnel will trade for their personal accounts in a manner that differs from actions taken for client accounts, including in securities which are recommended to and/or purchased for Advisor's clients. The Code is designed so that the personal securities transactions, activities and interests of the employees of Advisor will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Certain affiliated accounts may trade in the same securities as client accounts on an aggregated basis when consistent with Advisor's best execution duty. Advisor's principals and employees, as registered representatives of BAS, may, directly or indirectly, receive a portion of the commissions charged on transactions executed for client accounts when client trades are executed through BAS. Also, employees of Advisor may receive, directly or indirectly, a portion of certain fees, concessions or other remuneration (including 12b-1 fees) for their personal or client investments in unregistered investment pools or mutual funds. Such benefits might not typically be available to clients, and therefore, employees of Advisor may receive a benefit in connection with client transactions or transactions in the same securities as those purchased by clients. In addition, and unlike transactions executed for the benefit of Advisor's clients, securities transactions executed through BAS on behalf of Advisor's principals, employees and most family-related accounts are processed with reduced or waived commission charges. Although commissions are reduced or not charged to these Related Persons, such Related Persons do pay clearing expenses to BAS which expenses are similarly paid by Advisor's clients. Advisor's principals, employees and their related accounts will continue to receive the benefit of commission-free trading regardless of the amount of client transactions placed with BAS.

Item 12 – Brokerage Practices

As noted in Items 5 and 10 above, Advisor has an affiliated broker-dealer to which it will place orders for the purchase or sale of securities. Most transactions in fixed income instruments will typically be handled by Advisor's broker-dealer affiliate, BAS. Neither Advisor nor BAS charges a commission, mark-up or spread on fixed income transactions. Orders for the purchase or sale of mutual funds will also be placed through BAS. As with fixed income instruments, no commission or mark-up is applied to transactions in mutual funds; however, depending on the share class available there might be sales charges incurred by the investor. BAS may receive a portion of the sales charge when permissible. Equity orders (including the U.S. Equity Strategy), options and orders for ETFs are often placed through BAS. In the event that a sub-advisor is retained to manage client assets, the sub-advisor (if it so chooses) may place orders through BAS/Pershing. A commission will be applied to such orders, in accordance with the commission schedule then applicable.

In addition, Advisor may direct orders for eligible accounts on a prime brokerage basis to third-party brokerage firms (consistent with its best execution obligations). For those clients that are

not eligible to engage in prime broker trading (i.e., where an account is maintained on a deliver versus payment basis, the account does not have sufficient assets to qualify for prime brokerage, or the agreements required under securities regulations are not in place for the account), the orders will typically be placed with BAS. Clients that are not prime broker eligible will not typically be able to use prime or executing brokers other than Pershing. Also, such clients might not be in a position to receive issuances of New Issues (as defined below) or secondary offerings unless Pershing accepts an allocation as part of the underwriting syndicate.

For transactions across an equity strategy managed by Advisor or its affiliates, there may be multiple orders (and different execution channels used for those trades). So as to not have orders potentially competing with each other in the open market, one order will usually be completed prior to placing the order for the other portion of the strategy trade. Prices that clients receive will differ between the orders because the orders cannot be combined or “bunched” to give an average price. While Advisor has implemented order handling procedures designed so that clients are treated fairly, there might be instances in which one of the orders is not placed until a later time due to the inability to execute the initial order because of market conditions or limited liquidity at the intended execution price. In those circumstances, execution prices could differ significantly. Also, when only a portion of an order is executed, clients will receive only a portion of the intended amount (typically on a pro rated basis). If the price of the security changes substantially following a partial execution, a portfolio manager may decide to not execute the remainder of the initially intended order.

Advisor or the sub-advisor (if it so chooses) may execute client transactions directly through BAS or indirectly by executing client transactions through another broker-dealer and causing that broker-dealer to “step out” a portion of the transaction effected through that broker-dealer to BAS. When transactions are executed directly or indirectly through BAS, BAS earns transaction-based compensation and this compensation results in an economic benefit to Advisor and its owners. In the event that a client or an account is managed in whole or part by a sub-advisor (through a consulting arrangement or multi-manager platform) the corresponding sub-advisor retains the discretion to place trades for the account; as such, the assets or entire accounts, as applicable, placed with sub-advisors will not be taken into consideration by Advisor in making decisions as to whether to allocate for, participate in, or receive any pro rata distribution of, investments in New Issues.

In selecting a broker to execute a transaction for a client, Advisor may consider a variety of factors, including the following: the broker’s capital depth; the broker’s market access; the broker’s transaction confirmation and account statement practices; Advisor’s knowledge of negotiated commission rates and spreads currently available; the nature and character of the markets for the security or instrument to be purchased or sold; the desired timing of the transaction; the execution, clearance and settlement capabilities of the broker selected and others considered; the reputation and perceived soundness of the broker selected and others considered; Advisor’s knowledge of any actual or apparent operational problems of a broker; the other services, including research, supplied by the broker-dealer; and the reasonableness of the commission or its equivalent for the specific transaction.

In directing orders to broker-dealers for execution services, Advisor will take into consideration whether the broker provides research to Advisor, as well as the quality of the research provided (in addition to the execution capability of the broker). The research received will be used, to the extent feasible, to benefit all client accounts; the benefits are not therefore limited to those clients who may have generated a particular benefit although certain soft dollar allocations are connected to particular clients or groups of clients. As a result, a client may pay brokerage commissions that

are used, in part, to purchase research services that are not used to benefit that specific client. Brokers selected by Advisor may be paid commissions for effecting these transactions for Advisor's clients that exceed the amounts other brokers would have charged for effecting these transactions if Advisor determines in good faith that such amounts are reasonable relative to the value of the brokerage and/or research services provided by those brokers, viewed either in terms of a particular transaction or Advisor's overall duty to its discretionary client accounts.

BAS may act on an agency or "agency cross" basis to the extent permitted by law, and will be entitled to compensation for its agency services. When affecting an agency cross transaction, Advisor will obtain market quotes from reliable unaffiliated broker-dealers and effect these transactions at the highest quoted bid price. Clients may revoke this authorization at any time by written notice to Advisor. Neither Advisor nor BAS may act as principal in connection with any advisory client transaction, except as provided by law.

Advisor will not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized or more involved services on the part of the broker and thereby justify higher commissions or their equivalent than would be the case with other transactions requiring more routine or limited services. In addition, when selecting brokers to execute transactions, in rare circumstances Advisor may, consistent with its best execution obligation, consider as a factor whether the broker has referred clients to Advisor. Advisor will not have specific arrangements or use a specific formula to determine precise amounts in connection with this factor.

When possible and consistent with the best interests of Advisor's clients, orders being placed at the same time for the accounts of two or more clients may be "bunched" or placed as an aggregated order for execution. Bunching orders may enable Advisor to seek more favorable executions and net prices for the combined order. Any orders placed for execution on an aggregated basis are subject to Advisor's order aggregation and allocation policy and procedures that are designed so that clients are treated in a fair and equitable manner. This policy and these procedures are intended to meet, where applicable, the legal standards applicable to Advisor under federal and state securities laws and the Employee Retirement Income Security Act of 1974 and its obligations as a fiduciary to each client. Pursuant to this policy, orders to purchase or sell securities for all accounts managed by Advisor, including proprietary accounts of Advisor, its affiliates and related persons, and accounts in which any of them has a beneficial interest, may be aggregated or "bunched" for execution.

When trades are bunched, clients will receive the average share price, share transaction costs (other than commissions in instances in which an order for an employee or employee-related account is bunched with other client orders) on a pro rata basis based on each client's participation in the transaction, and be charged the pre-determined commission rate, which may vary from client to client and will be lower for employee and employee-related accounts. Clients may limit Advisor's authority to combine or bunch such orders. In such situations, Advisor may not be in a position to negotiate equal or similar commission rates or spreads that it is obtaining for its other clients and a client will not necessarily receive the same price as the average price shared by clients participating in the aggregated order. In addition, Advisor executes non-directed aggregated orders typically before directed orders. In placing certain securities transactions, particularly transactions in smaller cap issuers, Advisor's non-directed aggregate order put into the market first may have an impact on the price of securities executed after the directed aggregate order has been executed. As a result, directing such transactions to a specific broker-dealer may result in higher commissions, greater spreads, or less favorable net prices than would be the case if Advisor were authorized to combine or bunch transactions for the client's account.

When trades in the same security cannot be “bunched” for execution, Advisor generally trades on a “first in – first out” basis.

Advisor has separate procedures covering the aggregation and allocation of equity securities sold in underwritten public offerings (“New Issues”). Generally, these procedures contemplate aggregating purchases for advisory clients based on the investment strategy pursued by the client (and which investment meets client’s objectives, restrictions, and risk profile). When the amount available is less than the original order, the reduced amount will generally be allocated to advisory clients proportionally to the original order, although allocations of partially filled orders may not be proportional from time to time (particularly when the execution represents a small percentage of the order). In cases where a reduced or nominal amount is received, shares will be allocated on a rotational basis by advisory client account number order. When a New Issue meets the investment criteria of more than one strategy and the respective portfolio manager or management team determines that the New Issue is suitable for the corresponding strategy, the New Issue will be allocated among the strategies first relative to total equity assets invested in the participating strategies and, then within each strategy. Advisor recognizes a theoretical conflict of interest exists in any decision to allocate investment opportunities, including New Issues, to strategies that have higher management fees. It is the policy of the Advisor to make allocation decisions emphasizing the quality and associated risks of New Issues and the suitability of the investment for the particular investment strategy.

In some circumstances, a client will designate a particular broker-dealer through which trades are to be affected or placed, typically under such terms as the client negotiates with that particular broker or dealer. Where a client has directed the use of an unaffiliated broker or dealer, Advisor generally will not be in a position to negotiate commission rates or spreads freely or, depending on the circumstances, to select brokers or dealers based on best execution. Additionally, transactions for a client that has directed that Advisor use a particular broker-dealer may not be commingled or “bunched” for execution with orders for the same securities for other managed accounts, except to the extent that the executing broker or dealer is willing to “step out” such transactions to the client’s designated broker or dealer.

Trades for a client that has directed the use of an unaffiliated broker or dealer may be placed at the end of bunched trading activity for a particular security. Accordingly, directed transactions may be subject to price movements, particularly in volatile markets, that may result in the client receiving a price that is less favorable than the price obtained for the bunched order. Under these circumstances, the direction by a client of a particular broker-dealer to execute transactions may result in different commissions, greater spreads, or less favorable net prices than might be the case if Advisor were empowered to negotiate commission rates or spreads freely, or to select brokers or dealers based on best execution, and if the broker-dealer is not one used regularly by Advisor, there may be additional credit and/or settlement risk.

Soft Dollar Practices. Currently, Advisor does not receive any soft dollar benefits, but has in the past and may in the future. The benefit Advisor receives from BAS’ Fully Disclosed Clearing Agreement with Pershing is described in Item 5.

Prime Brokerage. Advisor may maintain on behalf of client, “prime brokerage” arrangements, with several broker-dealers (each a “Prime Broker”). Through these arrangements, Prime Brokers will provide certain record keeping services and perform the following functions, among others: (1) arrange for the receipt and delivery of securities bought, sold, borrowed, and lent; (2) make and receive payments for securities; (3) maintain custody of cash and securities; (4) deliver cash to accounts; and (5) tender securities in connection with tender offers, exchange offers, mergers, or

other corporate reorganization. Securities transactions for client accounts placed with Prime Brokers will generally be cleared through Pershing.

Advisor has established and maintains general trade allocation policies and procedures designed so that over time trades are allocated among client accounts for which such trades are appropriate in a fair and equitable manner.

Clients generally will authorize Advisor to determine the broker-dealers (including BAS) to which to place their securities trades, as Advisor deems appropriate. By so authorizing Advisor to place orders in this manner, Advisor may direct orders to BAS or other firms that may provide Advisor with a direct or indirect benefit in the form of commissions (for orders placed with BAS), research, or other services. In particular, to the extent that orders are placed with broker-dealers from which Advisor receives a benefit (including BAS), the commission rates, clearing and execution costs for client account transactions, and correspondingly the rates and costs clients pay, may not be as favorable as the rates and execution costs that Advisor might be able to obtain at broker-dealers that do not provide Advisor with such benefits or services.

BAS acts as placement agent for a limited number of privately offered funds. For that role, BAS receives a fee from the fund that would otherwise have been payable to Advisor as management fees. (Clients do not pay “twice” for such services). The ownership of BAS is the same as for Advisor.

Advisor maintains a facilitation account for the benefit of clients. The facilitation account is used as an execution channel that allows Advisor to more efficiently buy and sell securities for its clients while maintaining client confidentiality. Furthermore, Advisor does not maintain an inventory of securities nor does it trade for its own account. Neither Advisor nor BAS applies a mark-up or commission to securities purchased or sold through use of the facilitation account. Nevertheless, Advisor believes that the use of this account and the subsequent ease of clearing and settling these transactions through BAS’s clearing firm, Pershing, is more efficient relative to other methods for investing client assets and in the best interest of its clients.

In the event that Advisor has erred in handling or executing a client transaction (e.g., purchase instead of sale; incorrect amount, account or symbol; inadvertent trade through account restriction; or other error/mistake), the client account will be placed in the same position, to the extent feasible, as if the error or mistake had not taken place. As a policy, no client will be disadvantaged as the result of a trading error or mistake. Advisor will bear the economic risk of returning the client to the position the client would have been but for the error/mistake; due to incurring such risk, Advisor may in certain instances retain the economic benefit associated with an error/mistake.

Generally, client investment advisory agreements authorize Advisor to determine, consistent with client investment objectives, which securities and the total amount of securities to be bought or sold for client accounts. Advisor’s decisions to buy and sell securities for clients are subject to the overall review of the clients. Advisor’s primary objective in placing orders for the purchase or sale of securities for a client’s account is to obtain the most favorable net results reasonably available, taking into account such factors as price, commission, size of order, difficulty of execution, services offered and provided, confidentiality, and skill required of the broker. Advisor negotiates commission rates with its clients that will apply to all trades for client accounts notwithstanding what an executing broker may independently charge for such transactions.

Item 13 – Review of Accounts

Advisor reviews accounts periodically on both a formal and informal basis, which might be daily, weekly, monthly or quarterly, depending on the nature of the account, market conditions, the type of strategy pursued by or for the client, and other considerations. While the number or combination of reviewers may vary from client to client, portfolios, the accounts in the portfolios, and transactions will be reviewed by managing directors, client service professionals, portfolio managers or compliance officers. Advisor provides clients with reports on a quarterly basis (at a minimum), unless otherwise agreed to with the client. The reports include a summary of holdings, portfolio valuation, and performance information.

Item 14 – Client Referrals and Other Compensation

In a limited number of circumstances, Advisor provides payment to a third-party for referring prospective clients to Advisor. In those instances, the prospective client is informed of the relationship and must sign a disclosure form indicating that the prospective client is aware of the arrangement. The compensation paid to the other person will be from out of the advisory fee paid to Advisor with respect to the relevant client. Also, there are a few instances in which Advisor has been compensated by a third-party advisor for making referrals to others. Again, the client is advised of the relationship and must sign a disclosure form that provides important information to the client about the nature of the relationship.

Certain Advisor employees may be compensated for client referrals. Specifically, such employees may receive a portion of the management fees generated in the management of separate accounts which the employees are responsible for helping Advisor to obtain.

Item 15 – Custody

Depending on whether the client has provided authority to do so, Advisor will deduct the advisory fee payable from the client account with the custodian. For this reason, Advisor is considered to have custody of client assets. In all instances, an invoice will be made available to the client reflecting the calculation of the amount of the fee payable, consistent with the Advisor's fee agreement with the client. In addition, clients will receive a statement from Advisor at least quarterly, as well as a statement from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. Advisor urges clients to carefully review the statement from the qualified custodian holding the client's assets and to compare such official custodial records to the account statements that Advisor provides.

As noted above, clients typically engage Pershing to act as custodian for their accounts. Advisor's affiliate, BAS, has entered into a clearing agreement with Pershing that provides financial benefits to BAS. Please see Items 5 and 10 for details of that arrangement.

Clients who choose to have their assets held by Pershing do not pay a separate custodial fee (with the exception of individual retirement accounts, which are charged an annual maintenance fee by Pershing). Clients will pay ticket charges and commissions for securities transactions, as well as certain other fees for services provided, however.

Item 16 – Investment Discretion

Advisor usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. The terms of the grant of that authority are contained in the investment management agreement or other agreement executed by the client. In all cases, however, such discretion is to be exercised in a manner consistent with the investment objectives for the particular client account, as agreed to between Advisor and the client.

When selecting securities and determining amounts, Advisor observes the investment policies, limitations and restrictions of the clients for which it advises. Client investment guidelines and restrictions must be provided to Advisor in writing.

Item 17 – Voting Client Securities

Advisor typically does not obtain authority from clients to vote proxies, as noted in the investment management agreement. Advisor may, when requested, provide advice to clients regarding the clients' voting of proxies.

When, however, Advisor does have authority to vote proxies, its general policy is to vote proxies in a manner consistent with clients' best interests. In circumstances in which a conflict of interest arises, Advisor's policy contains procedures, such as retaining third-party research to vote the proxies in accordance with the research conducted by such entity or to obtain client directive as to manner in which to vote the proxy. A copy of Advisor's proxy voting policies and procedures is available upon request.

Item 18 – Financial Information

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