

**Part 2A of Form ADV  
Brochure for:**

**Vident Investment Advisory, LLC**

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**March 12, 2020**

**This brochure provides information about the qualifications and business practices of Vident Investment Advisory, LLC. If you have any questions about the contents of this brochure, please contact us at (404) 487-1961, (973) 915-3170 or [disclosure@videntinvestmentadvisory.com](mailto:disclosure@videntinvestmentadvisory.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

**Registration of an Investment Adviser does not imply any certain level of skill or training.**

**Additional information about Vident Investment Advisory, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

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**Item 2 – Material Changes**

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Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Since the filing of our last annual updating amendment, dated March 31, 2019 we have no material changes to report.

On March 12, 2020, we submitted our annual updating amendment for fiscal year 2019 and amended Item 4 of our Form ADV Part 2A Brochure to reflect discretionary assets under management of \$4,297,162,435 and non-discretionary assets under management of \$0.

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## Item 4 – Advisory Business

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### ***Description of the Advisory Firm and Advisory Services***

Vident Investment Advisory, LLC (“VIA”) is a Delaware Limited Liability Company formed in March 2014. We have been providing investment advisory services since December 2014. Vident Investment Advisory, LLC, is a wholly owned subsidiary of Vident Financial, LLC.

VIA primarily provides a full range of investment solutions as a sub-advisor to exchange traded funds (“ETFs”) and other investment companies registered under the Investment Company Act of 1940. In addition, VIA acts as a sub-advisor to pooled investment vehicles structured as Undertaking for Collective Investments in Transferable Securities (“UCITS”) and to other pooled investment vehicles. VIA also provides investment sub-advisory services to separately managed accounts. Hereinafter, collectively referred to as (“Funds”) or (“Clients”).

Each Fund may trade various combinations of any asset class or investment vehicle, including global equities, fixed income, ETFs, mutual funds, hedge funds, commodities, futures, and liquid alternatives, as permitted by an underlying benchmark, index, or the disclosure document of the Fund. VIA has full discretion with regard to investments made on behalf of the Funds and does not tailor its advisory services to the individual needs of investors in those Fund(s). For VIA’s sub-advised services to separately managed accounts the advisory services are tailored to the individual needs of the Clients.

### ***Separately Managed Accounts***

VIA offers sub-advised discretionary investment management services for separately managed accounts structured as ladder bond portfolios. VIA manages these portfolios according to a customized fixed income strategy that is individually tailored to meet the cash flow needs of each Client. If you retain our firm for separately managed account services, we may meet with you and/or your primary investment advisor to determine your investment objectives and other relevant information. As part of our investment management services, we will customize an investment portfolio for you in accordance with your investment objectives. Once we construct an investment portfolio for you, we will monitor your portfolio's performance on an ongoing basis, and will make changes to the portfolio as required by changes in market conditions and/or your financial circumstances.

If you participate in our separately managed account services, we will require that you grant VIA discretionary authority to manage your account. Discretionary authorization will allow our firm to determine the specific securities, and the amount of securities, to purchase, sell or exchange for your account without your approval prior to each transaction. Clients may communicate their individual needs to VIA prior to investing and as necessary select the specific sectors, markets, time frames and strategies they would like VIA to utilize on their behalf.

### ***Wrap Fees***

VIA does not participate in wrap fee programs.

### ***Assets Under Management***

As of December 31, 2019, we manage \$4,297,162,435 on a discretionary basis and \$0 on a non-discretionary basis. The amount of assets under management will fluctuate daily.

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## Item 5 – Fees and Compensation

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VIA charges an asset-based fee for its investment advisory services subject to an annual minimum. The fee arrangement, termination, and refund policies are negotiated with each Fund or sub-advised separately managed account Client prior to the commencement of advisory services and are described in the Client's advisory agreement.

In the case of any investment company that VIA may manage, this information will be set forth in the Prospectus and Statement of Additional Information ("SAI") provided to clients prior to making any investments. VIA's investment advisory fees are generally expressed as a percentage of assets under management. The Funds charge an annual management fee that will vary by share class. Our fee and fee-paying arrangements for providing investment management services to the Fund(s) will be negotiated with each client on a case-by-case basis.

### ***Separately Managed Accounts***

The investment advisory fee for sub-advised separately managed accounts typically ranges from 0.10% to 0.20% of assets under management on an annual basis depending on the nature of the strategy managed by VIA.

All management fees are payable quarterly in arrears based on the value of the assets under management at the end of the preceding quarter. For periods of less than three months our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a client. Our advisory fee is negotiable, depending on individual client circumstances.

We will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when you have given our firm written authorization permitting the fees to be paid directly from your account. Further, the qualified custodian is obligated to deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy.

You may terminate the investment advisory agreement upon 30-days' written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the investment advisory agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client.

### ***Other Fees for Separately Managed Accounts***

VIA provides investment advisory services to Clients through sub-advised separately managed accounts ("Separately Managed Accounts"). Separately Managed Accounts typically bear certain expenses in addition to investment advisory fees, including custodial fees, transaction charges and/or brokerage fees when purchasing or selling securities. The broker-dealer or custodian through whom your account transactions are executed typically imposes these charges and fees. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian.

Clients should note that similar advisory services may or may not be available from other investment advisers and asset managers for similar or lower fees.

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

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VIA does not charge performance-based fees.

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Item 7 – Types of Clients

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VIA currently provides investment sub-advisory services to registered investment companies, including ETFs and UCITs. VIA also provides sub-advisory services to separately managed accounts and other pooled investment vehicles. We offer our sub-advised separately managed accounts to individuals, high net worth individuals, charitable organizations and corporations or other businesses.

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

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***General***

VIA utilizes specialized and sophisticated portfolio management systems to efficiently monitor portfolios relative to the respective benchmark and applies multi-dimensional analysis customized to the features and objectives of each portfolio.

***Investment Strategies***

With regard to its ETF and UCITs clients, VIA does not have any specific proprietary investment strategies; VIA tracks the underlying benchmarks, indices, or other applicable investment mandates of the funds. With respect to the ladder bond SMA portfolios it manages, VIA maintains a municipal ladder bond strategy, a taxable ladder bond strategy, and a custom ladder bond strategy (in certain circumstances) that can be uniquely tailored to the cash flow needs of the individual client. The average duration of bonds within each type of ladder bond SMA can vary from one (1) to ten (10) years but is typically at or around four (4) years.

***Investment Instruments Used***

With respect to its fund clients, VIA may use any asset class or investment vehicle, including global equities, fixed income, ETFs, mutual funds, hedge funds, commodities, futures, and liquid alternatives, permitted by an underlying benchmark, index, or the disclosure document of the fund.

With respect to its ladder bond SMA portfolios, individual bond instruments are used. Municipal bond strategy accounts utilize federal tax-exempt municipal bond securities. Taxable bond strategy accounts may invest in U.S. Treasury debt, U.S. government agency debt, and/or investment-grade corporate debt. Under certain circumstances, e.g. an anticipated change in a client's future tax status, a custom bond strategy may be employed that contains both municipal bond securities and a mixture of taxable bonds (Treasury, government agency, and/or investment-grade corporate debt). Such a custom strategy would be employed with the goal of maximizing the client's taxable-equivalent yield from the portfolio.

***Certain Key Risks***

***Political Risk***

Political risk is a type of risk faced by investors, corporations, and governments that political decisions, events, or conditions will significantly affect the profitability of a business actor or the expected value of a given economic action.

*Exchange Rate Risk*

Exchange rate risk impact values in the portfolio as far as ADR shares track the shares in the home country. If a country's currency is devalued, it will trickle down to the value of the ADR. This can impact performance even if the company has been performing well. In addition, there are some markets, where the local currencies are tied directly to commodity prices; when those commodities fall, the currencies fall in tandem.

*Inflationary Risk*

Inflationary risk is an extension of the exchange rate risk. Inflation is the rate at which the general level of prices for goods and services is rising and, subsequently, purchasing power is falling. The investor faces the possibility that the value of assets or income will decrease as inflation shrinks the purchasing power of a currency.

*Cybersecurity Risk*

With the increased use of technologies such as the Internet to conduct business, a portfolio is susceptible to operational, information security and related risks. In general, cyber incidents can result from deliberate attacks or unintentional events include, but are not limited to, gaining unauthorized access to digital systems, misappropriating assets or sensitive information, corrupting data, or causing operational disruption, including the denial-of-service attacks on websites. Cyber security failures or breaches by a third party service provider and the issuers of securities in which the portfolio invests, have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, the inability to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, and/or additional compliance costs, including the cost to prevent cyber incidents.

*Tax Risk*

Tax treatment of ADRs by the IRS is generally the same as for domestic investments. Investors are subject to the same capital gains and dividend taxes at the same rates.

With respect to VIA's municipal ladder bond portfolios, key risks include, but are not necessarily limited to general market risk, interest rate risk, issuer risk, credit risk, inflation risk, default risk, call risk, income risk, diversification risk, tax reform risk, and liquidity risk. Brief descriptions of some of the most common investment risk types are included further below in this Item 8. Bond investments may be worth more or less than the original cost when redeemed. Income from municipal bonds, while exempt from federal taxes, may be subject to state and local taxes and at times the alternative minimum tax. VIA does not provide legal or tax advice. Please consult your tax and/or legal counsel for specific tax or legal questions and concerns. The credit quality of a particular security or group of securities does not ensure the stability or safety of an overall portfolio.

With respect to VIA's taxable ladder bond portfolios, key risks include, but are not necessarily limited to general market risk, credit risk, call risk, income risk, management risk, fixed-income securities risks, interest rate risk, extension risk, liquidity risk, prepayment risk, asset-backed and mortgage-backed securities risk, government-sponsored entities risk, high-yield fixed-income risk, valuation risk, municipal securities risk, when-issued securities risk, zero-coupon bonds risk, and high portfolio turnover rate risk. Brief descriptions of some of the most common investment risk types are included further below in this Item 8.

With respect to VIA's ETF and UCITS clients for which VIA seeks to track and manage the portfolio to an underlying benchmark index, key investment and other risks are set forth in each

fund's disclosure documents such as the Summary Prospectus, the Statutory Prospectus, and the Statement of Additional Information ("SAI"). Such key risks may include equity and fixed income risk, foreign securities and currency risk, issuer specific risks, large capitalization risks, small capitalization risks, emerging markets risks, depository receipts risk, and portfolio turnover risk. Brief descriptions of some of the most common investment risk types are included further below in this Item 8.

**Brief descriptions of some of the most common investment risk types regarding the advice offered:**

*Asset-Backed and Mortgage-Backed Securities Risk*

Asset-backed and mortgage-backed securities are subject to risk of prepayment. These types of securities may also decline in value because of mortgage foreclosures or defaults on the underlying obligations. Mortgage-backed securities offered by non-governmental issuers are subject to other risks as well, including failures of private insurers to meet their obligations and unexpectedly high rates of default on the mortgages backing the securities. Other asset-backed securities are subject to risks similar to those associated with mortgage-backed securities, as well as risks associated with the nature and servicing of the assets backing the securities. Asset-backed securities may not have the benefit of a security interest in collateral comparable to that of mortgage assets, resulting in additional credit risk.

*Call Risk*

Call Risk is the possibility that during periods of falling interest rates, a municipal security will be prepaid (called) prior to its expected maturity date. Such a prepayment produces cash flow that may be reinvested at a lower interest rate, causing the overall portfolio return to decline. To limit call risk, portfolios will generally be constructed using non-callable bonds.

*Credit Risk*

Credit risk is the potential that the credit rating of an individual bond may be lowered. Credit Risk is related to the credit quality of the issuer, a reflection of the market's judgement concerning the ability of the issuer to meet its obligations over the life of the bond. In general, issues with higher credit quality earn a lower return. Because the portfolio will be invested to maintain a high level of credit quality, credit risk is expected to be low.

*Default Risk*

Default risk is the possibility that a bond issuer will fail to make timely payments of interest or principal, and is viewed as the most extreme form of credit risk.

*Depository Receipts Risk*

Changes in foreign currency exchange rates affect the value of ADRs, GDRs, EDRs and global shares and, therefore, the value of the account's portfolio. In addition, although the ADRs, DGRs, and EDRs and global shares in which the account invests may be listed on major U.S. exchanges, there can be no assurance that a market for these securities will be made or maintained or that any such market will be or remain liquid. There is also no guarantee that a financial institution will continue to sponsor specific ADRs, GDRs, or EDRs. As a result, the account may have difficulty selling securities, or selling them quickly and efficiently at the prices at which they have been valued.

*Diversification Risk*

Diversification will be achieved by holding numerous individual securities, issuer types, sectors, and laddering of maturities. The smaller relative size of the client's portfolio compared to that of



a mutual fund, however, will result in less diversification and, therefore, slightly more issuer specific risk. The portfolio will hold high quality issues to minimize this risk. In addition, the state specific portfolio may be subject to regional economic risk factors.

*Emerging Markets Risks*

Securities of companies in emerging markets may be more volatile than those companies in developed markets. Markets, economies, and government institutions are generally less developed in emerging market countries. Investing in securities of companies in emerging markets may entail special risks relating to the potential for social instability and the risks of expropriation, nationalization, or confiscation. Investors may also face the imposition of restrictions on foreign investment or the repatriation of capital and a lack of hedging instruments.

*Equity and Fixed Income Risk*

A principal risk of investing in the strategies managed by VIA is equity and fixed income risk. This type of risk is the probability that the prices of the securities held by a client will fall due to general market and economic conditions, perceptions regarding the industries in which the companies issuing the securities participate and the issuer company's particular circumstances.

*Foreign Securities and Currency Risk*

Investments in foreign security involve risks relating to political, social, and economic developments abroad, as well as risks resulting from the differences between the regulations to which U.S. and foreign issuers are subject. These risks included expropriation, differing accounting and disclosure standards, currency exchange risks, settlement difficulties, market illiquidity, difficulties enforcing legal rights and greater transaction costs.

*General Market Risk*

The value of the portfolio may fluctuate based on the performance of the portfolio's investments and other factors affecting the securities markets generally.

*Government-Sponsored Entities Risk*

The Fund invests in securities issued or guaranteed by government-sponsored entities. However, these securities may not be guaranteed or insured by the U.S. Government and may only be supported by the credit of the issuing agency. Securities issued by U.S. Government agencies and instrumentalities have different levels of U.S. Government credit support. Some are backed by the full faith and credit of the U.S. Government, while others are supported by only the discretionary authority of the U.S. Government or only by the credit of the agency or instrumentality. No assurance can be given that the U.S. Government will provide financial support to U.S. Government-sponsored instrumentalities because they are not obligated to do so by law. Guarantees of timely prepayment of principal and interest do not assure that the market prices and yields of the securities are guaranteed nor do they guarantee the net asset value or performance of the Fund, which will vary with changes in interest rates, the Adviser's success and other market conditions.

*High-Yield Fixed-Income Securities Risk*

High-yield fixed-income securities or "junk bonds" are fixed-income securities rated below investment grade and are subject to additional risk factors such as increased possibility of default, illiquidity of the security, and changes in value based on public perception of the issuer. Such securities are generally considered speculative because they present a greater risk of loss, including default, than higher quality debt securities.

*Income Risk*

Income risk is the potential for a decline in a portfolio's total income due to falling market interest rates. A portfolio's income and proceeds from maturing bonds is typically reinvested at future interest rates, which can fluctuate substantially from the portfolio's initial interest rates. The portfolio will have laddered maturities, which averages interest rates from multiple periods, lowering the portfolio's exposure to income risk.

*Interest Rate Risk*

Interest rate risk is the potential for fluctuations in bond prices due to changing interest rates. In general, bond prices vary inversely with interest rates. That is, if interest rates rise, bond prices tend to fall; if interest rates fall, bond prices tend to rise. In addition, longer-maturity bonds generally fluctuate more in price than shorter-maturity bonds, but may offer higher yields to compensate investors for this risk.

*Issuer Risk*

Current reductions in bond counterparty capacity may contribute to decreased market liquidity and increased price volatility.

*Issuer Specific Risks*

The value of an individual security can be more volatile than the market as a whole and can perform differently from the market. An account could lose all of its investment in a company.

*Large Capitalization Risks*

Large, established companies may be unable to respond quickly to new competitive challenges such as changes in technology and consumer tastes. Many large companies may not be able to attain the high growth rate of successful smaller companies, especially during extended periods of economic expansion.

*Liquidity Risk*

Trading opportunities are more limited for fixed-income securities that have not received any credit ratings, have received rating below investment grade or are not widely held. These features make it more difficult to sell or buy a security at a favorable price or time. Consequently, a portfolio may have to accept a lower price to sell a security, sell other securities to raise cash or give up an investment opportunity, any of which could have a negative effect on its performance. Infrequent trading of securities may also lead to an increase in their price volatility. Liquidity risk also refers to the possibility that a portfolio may not be able to sell a security or close out a position in a timely manner. If this happens, the portfolio will be required to hold the security or keep the position open, and it could incur losses.

*Management Risk*

The portfolio manager's judgments about the attractiveness, value and potential appreciation of the portfolio's investments may prove to be incorrect and the investment strategies employed by the portfolio manager in selecting investments for the portfolio may not result in an increase in the value of your investment or in overall performance equal to other similar investment vehicles having similar investment strategies.

*Municipal Securities Risk*

The municipal securities market is volatile and can be significantly affected by adverse tax, legislative or political changes and the financial condition of the issuers of municipal securities.

*Portfolio Turnover Risk*

Because each index is rebalanced on a pre-determined schedule by the index creator, the account may experience excess portfolio turnover. The greater portfolio turnover, the greater the transactions costs to the account, including the payment of transaction costs on the purchase and sale of securities, which could have an adverse effect on the account's total rate of return, and increased tracking error to the benchmark index.

*Prepayment and Extension Risk*

Many types of fixed-income securities are subject to prepayment risk. Prepayment occurs when the issuer of a fixed-income security can repay principal faster than expected prior to the security's maturity. Fixed-income securities subject to prepayment risk can offer less potential for gains during a declining rate environment and similar or greater potential for loss in a rising interest rate environment. In addition, the potential impact of prepayment features on the price of a fixed-income security can be difficult to predict and result in greater volatility. On the other hand, rising interest rates could cause prepayments of the obligations to decrease. This is known as extension risk and may increase the portfolio's sensitivity to rising rates and its potential for price declines.

*Restricted Securities Risk*

The Fund may invest in restricted securities (securities with limited transferability under the securities laws) acquired from the issuer in "private placement" transactions. Private placement securities are not registered under the Securities Act, and are subject to restrictions on resale. They are eligible for sale only to certain qualified institutional buyers, like the Funds, and are not sold on a trading market or exchange. While private placement securities offer attractive investment opportunities otherwise not available on an open market, because such securities are available to few buyers, they are often both difficult to sell and to value.

*Small Capitalization Risks*

Investment in securities of small companies may involve greater risks than investing in larger, more established issuers. Small companies typically have relatively lower revenues, limited product lines and lack of management depth and may have a smaller share of the market for their product or service than large companies may. Stocks with small capitalizations tend to have less trading volume than stocks with large capitalizations. Less trading volume may make it more difficult for our portfolio managers to sell securities of small-capitalization companies at quoted market prices. There are periods when investing in small-capitalization stocks fall out of favor with investors and the stocks of small-capitalization companies underperform.

*Tax Reform Risk*

Occurs if a flat tax or other significant tax reform were implemented, reducing or eliminating altogether the present tax benefits of holding municipal securities. Historically, tax reform legislation has grandfathered in outstanding issues, but there is no guarantee that this will occur.

*Valuation Risk*

The prices provided by the portfolio's pricing service or independent dealers may be different from the prices used by other funds or from the prices at which securities are actually bought and sold. The prices of certain securities provided by pricing services may be subject to frequent and significant change, and will vary depending on the information that is available.

*When-Issued Securities Risk*

The price or yield obtained in a when-issued transaction may be less favorable than the price or yield available in the market when the securities delivery takes place, or that failure of a party to a

transaction to consummate the trade may result in a loss to the portfolio or missing an opportunity to obtain a price considered advantageous.

*Zero-Coupon Bonds Risk*

Zero-coupon bonds do not pay interest on a current basis and may be highly volatile as interest rates rise or fall. In addition, while such bonds generate income for purposes of generally accepted accounting standards, they do not generate cash flow and thus could cause the portfolio to be forced to liquidate securities at an inopportune time in order to distribute cash, as required by tax laws.

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Item 9 – Disciplinary Information

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Registered investment advisers are required to disclose facts regarding any legal or disciplinary events that they believe would be material to a client's or a potential client's evaluation of VIA or the integrity of VIA's management. VIA has no information to report applicable to this Item.

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Item 10 – Other Financial Industry Activities and Affiliations

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ALPS Distributors, Inc., 1290 Broadway, Suite 1100, Denver, CO, acts as distributor of the affiliated Vident Financial sponsored ETFs, all registered investment company funds. Certain Vident Financial, Vident Advisory and Vident Investment Advisory employees are registered representatives of ALPS Distributors, Inc. and are salaried employees. As such, these individuals do not receive commissions, fees or other remuneration in connection with securities transactions.

In addition to our status as a registered investment advisor with the SEC, VIA is registered as a CTA and a CPO with the Commodity Futures Trading Commission ("CFTC") and is a member of the National Futures Association ("NFA").

Vident Financial, LLC, ("Vident Financial") the parent company to VIA, develops indices against which index portfolios are managed. These indices are underlying indices of some of the Fund accounts sub-advised by VIA. VIA and Vident Financial have established a governance framework designed to prevent the use and dissemination of material non-public information with respect to any advisory committee, supervisory board, or similar entity that makes decisions on the index or portfolio composition, methodology and related matters.

Vident Advisory, LLC, ("VA") an affiliate of VIA and Vident Financial, is the investment adviser to the Vident International Equity ETF (VIDI), Vident Core U.S. Equity Fund (VUSE), Vident Core U.S. Bond Strategy (VBND), and the U.S. Diversified Real Estate ETF (PPTY), each a series of the ETF Series Solutions Trust ("Trust") registered under the Investment Company Act of 1940. The Funds are part of a group of related investment companies (the "Vident Funds"). Each of the Vident Funds is advised by VA, sub-advised by VIA, and tracks an index for which an affiliate of VIA is the index provider. U.S. Bancorp Fund Services, LLC acts as the Fund's administrator and provides fund accounting and transfer agency services.

For additional information, the Funds' Prospectus and Statement of Additional Information are available on-line at: <https://www.videntfinancialsolutions.com/etfs.aspx>. Prospective investors should review these documents carefully before making any investment in the Vident Funds.

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

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VIA has adopted a Code of Ethics (“Code”), pursuant to SEC Rule 204A-1 and Rule 17j-1 under the Investment Company Act of 1940, that describes the standards of business conduct that it requires of employees and accounts owned predominantly by persons associated with VIA, and establishes procedures intended to prevent VIA, and its personnel and certain of their relatives, from inappropriately benefiting from VIA’s relationships with its Clients. The Code is reviewed annually and updated as applicable. The Code provides that:

- The policies and procedures are based on general concepts of fiduciary duty to Clients;
- Each employee's professional activities and personal investment activities must be consistent with the Code, which is designed to help avoid actual or potential conflicts between the interests of Clients and those of VIA or its employees;
- Employees must abide by the standards set forth in Rule 204A-1 (the “Code of Ethics Rule”) for registered investment advisers under the Advisers Act;
- Employees will be required to act with competence, dignity and integrity, in an ethical manner, when dealing with Clients, the public, prospective clients or investors, third-party service providers and fellow employees.

VIA requires employees to obtain prior written approval before acquiring a direct or indirect beneficial ownership (through purchase or otherwise) of: (i) a “Reportable Security”, (ii) a security in an initial public offering (“IPO”), or (iii) a security in a limited offering (generally meaning a private placement, such as a hedge fund or private equity fund).

Employees are subject to certain restrictions as to the purchase and sale of their personal security holdings to the extent that a Fund advised by VIA holds or is expected to trade the same security. The Code also contains restrictions on and procedures designed to help prevent inappropriate trading while VIA is in possession of material nonpublic information.

VIA will provide a copy of its Code of Ethics to any client or prospective client upon request. Such a request may be made by submitting a written request to VIA by email or to the address on the cover page of this brochure.

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**Item 12 – Brokerage Practices**

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VIA generally will have complete discretion in deciding what brokers and dealers the Clients will use and in negotiating rates of brokerage compensation (subject to any restrictions agreed on between VIA and an applicable Client).

***General Selection Criteria***

It is VIA’s policy to seek best execution, based upon a number of considerations, from the brokers with whom it places trades for execution on behalf of its Clients. While trade price is often a significant quantitative factor in best execution, VIA also evaluates qualitative execution factors, such as research capabilities, success of prior research recommendations, ability to execute trades, nature and frequency of sales coverage, depth of services provided (including back office and processing capabilities), financial stability and responsibility, reputation, commission rates,

responsiveness to VIA and the value of research and brokerage products and services provided by such brokers. The determining factor is not the lowest possible commission cost alone.

VIA may use a broker where a division or affiliate of such broker may have referred or may refer investors to a Fund advised by VIA. VIA, however, does not consider such referrals in its selection of brokers.

### ***Soft Dollars***

VIA utilizes research, research-related products and other brokerage services on a soft dollar commission basis. VIA's soft dollar policy is to make a good faith determination of the value of the research product or services in relation to the commissions paid. VIA may also maintain soft dollar arrangements for those research products and services, which assist VIA, in its investment decision-making process. VIA uses such products and services in the investment decision-making for all clients, not just for those accounts whose commissions may be considered to have been used to pay for the products or services.

When VIA uses Client brokerage commissions to obtain research or other products or services, it receives a benefit because it does not have to produce and/or pay for the research, products or services. Therefore, VIA may have an incentive to select or recommend a broker based on its interest in receiving research or other products or services, rather than on a Client's interest in receiving the most favorable execution. Clients may pay commissions to brokers providing soft dollar research, products and other services that are higher than those charged by brokers for "execution only" transaction commissions. As noted, above, VIA addresses this possible conflict by seeking best execution based upon a number of considerations, including the value of the research and other soft dollar products and services.

In the event VIA obtains any mixed-use products or services on a soft dollar basis, VIA will make a reasonable allocation of the cost between that portion which is eligible as research or brokerage services and that portion which is not so qualified. The portion eligible as research or other brokerage services will be paid for with discretionary Client commissions and the non-eligible portion, e.g., computer hardware, accounting systems, etc., which is not eligible for the Section 28(e) safe harbor will be paid for with VIA's own funds. For any mixed-use products or services, VIA will maintain appropriate records of its reviews and good faith determinations of its reasonable allocations.

### ***Aggregation of Orders***

VIA allocates all investment opportunities among eligible clients. In some instances, VIA may encounter situations where it may be beneficial for one or more Clients' accounts to purchase or sell securities where the investment opportunity is limited. In these instances, VIA will allocate the opportunity among its eligible Client accounts.

In some instances, VIA may choose to aggregate trade orders across multiple Client accounts in order to obtain better prices and execution. Any such aggregation is done in such a way as to ensure that no Client account is favored over any other. Each account that participates in an aggregated order does so at the average share price with all other transaction costs on a pro rata basis.

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## **Item 13 – Review of Accounts**

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Subject to the information discussed above, including Item 8, VIA reviews Client accounts on an ongoing basis to determine accomplishment of investment objectives, diversification of each portfolio and security positions. Such reviews are performed by VIA's portfolio management

personnel. Reviews may be triggered by market conditions or market and economic events. Further, VIA formally reviews registered product Clients any time there is a material change to each relevant prospectus or statement of additional information.

The securities broker-dealer, through whom a Client's transactions are executed, sends or delivers in written electronic format, to the client a confirmation of each transaction. The broker-dealer also sends the client a written monthly statement of the account showing all transactions during the month and the month-end position in either physically printed or electronic format.

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#### Item 14 – Client Referrals and Other Compensation

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VIA neither compensates any third party for Client referrals nor does the firm receive compensation for any Client referral.

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#### Item 15 – Custody

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All Client assets are held in custody by unaffiliated broker/dealers or banks. Under Rule 206(4)-2 under the Advisers Act, we are deemed to have custody of Client assets if we are authorized to instruct the custodian to deduct our advisory fees directly from a Client account. For such accounts, account custodians send statements directly to the account owners on at least a quarterly basis. Clients should carefully review these statements, and should compare these statements to any account information provided by VIA.

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#### Item 16 – Investment Discretion

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VIA has discretionary authority to manage securities accounts on behalf of Clients pursuant to a grant of authority in each Client's governing and investment management documents. VIA has broad discretion to determine:

- Investment objective of the Clients' account;
- Any changes or modifications to those objectives;
- Securities to be bought or sold for Clients' accounts;
- Amount of securities to be bought or sold for Clients' accounts;
- Broker or dealer to be used for a purchase or sale of securities for Clients' accounts; and,
- Commission rates to be paid to a broker or dealer for Clients' securities transactions.

VIA is not limited in this authority except to the extent the investment management agreement and/or client has established specific guidelines and/or prohibitions with respect to its investment account and specific securities.

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#### Item 17 – Voting Client Securities

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Currently, VIA does not vote proxies for any clients. However, VIA may potentially vote proxies if authorized by a Client. Any such authorization would be typically granted on an account-by-account basis. Except in the event that a Client authorizes VIA and/or Portfolio Managers to vote proxies, Clients maintain exclusive responsibility for directing the manner in which proxies solicited by issuers of securities beneficially owned by Clients shall be voted. VIA may vote corporate actions, and the making of all elections relative to any mergers, acquisitions, tender

offers, bankruptcy proceedings or other type events pertaining securities held in Client Account(s). Where VIA is authorized to vote proxies by our clients, we may utilize the services of an independent third party that specializes in evaluating corporate governance matters and making voting recommendations. Typically, we expect to vote in accordance with the recommendations made by the independent third party. Where a proxy proposal raises a material conflict between VIA's interests and the interests of the Clients, VIA will seek to resolve the conflict consistent with its fiduciary duty to its Clients.

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**Item 18 – Financial Information**

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VIA is not required to provide financial information to clients because VIA does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, does not take custody of client funds or securities, and does not have a financial condition that is reasonably likely to impair the Firm's ability to meet its commitments to Clients. VIA has not been the subject of a bankruptcy petition.

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**Item 19 – Requirements for State-Registered Advisers**

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Not applicable.