

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

Vident Investment Advisory, LLC

**1125 Sanctuary Pkwy.
Suite 515
Alpharetta, GA 30009
Telephone: (404) 487-1961**

September 1, 2021

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 or 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.

Item 2 – Material Changes

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.

The following material changes have been made to this brochure since its last filing on March 26, 2021.

- 1) **Items 4, 5, 8, and 12** were amended to introduce the Conscience Portfolios™, a new sub-advisory separate account mandate the firm has begun managing in the third quarter of 2021.
- 2) **Item 5** was also amended to clarify that the firm's sub-advisory fees are negotiable on a case-by-case basis; that the firm's sub-advisory fees for managing certain pooled investment vehicles are not disclosed publicly; and that when clients invest in exchange-traded funds, mutual funds, and/or money market funds, the client will indirectly bear its proportionate share of any fees and expenses payable directly by such funds.
- 3) **Item 7** was amended to disclose that the laddered bond portfolio separately managed accounts need a minimum of \$300,000 in investable assets, though the minimum is negotiable.
- 4) **Item 8** was also amended to introduce new investment risks generally associated with the Conscience Portfolio investment strategies.
- 5) **Item 12** was also amended to discuss the firm's practices regarding directed brokerage, principal trades and cross trades, brokerage for client referrals, and trade errors.
- 6) **Item 17** was amended to introduce that the firm has delegated its proxy voting responsibility for certain separately managed accounts, namely the Conscience Portfolios, to an affiliated entity. Otherwise, the firm does not maintain proxy voting authority over other client accounts.

Previously, the following material changes were made to this brochure on March 26, 2021:

- 1) Additional explanatory language on Advisory Business
- 2) Updated Assets Under Management
- 3) Clarifying language on Fees and Compensation
- 4) Additional Risk Disclosures
- 5) Additional disclosures regarding other Financial Industry Activities and Affiliations
- 6) Updated language on Code of Ethics, Brokerage Practices and Investment Discretion

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Item 4 – Advisory Business

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. VIA is a wholly owned subsidiary of Vident Financial, LLC (“Vident Financial”).

Funds

VIA primarily provides a range of investment solutions as a sub-adviser to exchange-traded funds registered under the Investment Company Act of 1940, as well as exchange-traded products registered under the Securities Act of 1933 (collectively, “ETFs”). VIA also acts as a sub-adviser to pooled investment vehicles structured as Undertakings for Collective Investment in Transferable Securities (“UCITS”) and to other privately offered pooled investment vehicles including business entities operating as hedge funds. Hereinafter, ETFs, UCITS and hedge funds are collectively referred to as the “Funds.”

Included as ETF clients are the Vident Funds, four exchange-traded funds which are series of ETF Series Solutions (“ESS”) and distributed by ALPS Distributors, LLC (“ALPS”). VIA’s affiliate, Vident Advisory, LLC (“VA”), services as the Vident Fund’s primary adviser. VIA and VA are not affiliated with either ESS or ALPS.

VIA is responsible for trading portfolio securities and other investment instruments on behalf of the Funds, including selecting broker-dealers to execute purchase and sale transactions, as instructed by a Fund’s primary adviser or in connection with any rebalancing or reconstitution of a Fund’s underlying investment index, subject to the supervision of the Fund’s primary adviser, management company, and/or board of directors (or trustees), as applicable.

Funds may trade various combinations of any asset class or investment vehicle, including global equities, fixed income, ETFs, mutual funds, money market funds, hedge funds, commodities, futures, and liquid alternatives, as permitted by an underlying benchmark, index, or the disclosure document of the Fund. VIA does not tailor its advisory services to the individual needs of investors in the Funds. The Funds’ offering documents set forth their respective investment strategies, guidelines and restrictions. Prospective investors should review these documents carefully before making any investment in the Funds. Unless otherwise noted herein, this brochure will focus its discussion on the services VIA provides to separately managed accounts.

Separately Managed Accounts

VIA also provides investment sub-advisory services to separately managed accounts (“SMAs”). VIA’s sub-advisory services are tailored to the individual needs of the each SMA account owner.

Laddered Bond Portfolios

VIA offers sub-advised discretionary investment management services for SMAs structured as laddered bond portfolios (“LBP”). VIA manages the LBP according to a customized fixed income strategy that is individually tailored to meet the cash flow needs of each SMA according to the SMA’s investment guidelines.

Conscience PortfoliosTM

Beginning in the third quarter of 2021, VIA also provides discretionary sub-advisory services to third-party managers and their clients through Conscience PortfoliosTM (“CP”). VIA manages the CP based on an instructed investment strategy model determined by the third-party manager and the SMA account owner, inclusive of any established investment guidelines and/or restrictions, capital gains tax schedules, and CP requirements established by the SMA. The concept of Conscience Portfolios is one which includes the use of select environmental, governance, and/or social screens chosen by the SMA and as implemented by the sub-adviser utilizing a third-party provider’s investment criteria screens.

Account Management

Each SMA may trade various combinations of any asset class or investment vehicle, including equities, American Depositary Receipts (“ADRs”), fixed income securities, ETFs (inclusive of the Vident Funds), mutual funds, and money market funds.

As sub-adviser, VIA will work with the contracting third-party manager to understand established investment guidelines and/or restrictions, capital gains tax schedules, and Conscience Portfolios requirements of each SMA. In turn, the third-party manager works with its client, the SMA account owner. VIA will monitor account performance on an ongoing basis and will make changes to the investment portfolio as required by changes in market conditions, changes in the third-party manager’s investment strategy model portfolio selected by the SMA account owner, and/or changes in the financial circumstances of the SMA account owner (as relayed to VIA by the third-party manager). VIA will generally not work directly with the SMA account owner, rather it will rely on coordination with the third-party manager on the management of the account. Trading activity is influenced by the frequency of rebalances, contributions and withdrawals.

If you participate in our SMA services, we will require that you grant VIA discretionary authority to manage your account. Discretionary authority will allow our firm to determine the specific securities and the amount of securities to purchase, sell or exchange for your account. You may request in writing that VIA make specific investments for your SMA, and you have the ability to impose investment restrictions. CP is unable to receive IPO allocations due to unknown eligibility and restrictions around “trading away” (as discussed further below in Item 12 – Brokerage Practices).

Please refer to a further discussion below in Item 8 – Methods of Analysis, Investment Strategies, and Risk of Loss and Item 16 – Investment Discretion.

Wrap Fees

VIA does not participate in wrap fee programs.

Assets Under Management

As of December 31, 2020, we manage \$6,856,034,811 on a discretionary basis and \$0 on a non-discretionary basis.

Item 5 – Fees and Compensation

VIA charges an asset-based fee for its investment sub-advisory services subject to an annual minimum fee. The asset-based fees and annual minimum fees are calculated and negotiable on a

case-by-case basis. The fee arrangements, termination, and refund policies are negotiated with each Fund, SMA, or SMA third-party manager prior to the commencement of sub-advisory services described in each client's respective sub-advisory agreement. SMAs will also enter into a separate investment management agreement with a third-party manager and incur separate fees directly with such manager.

Funds

VIA generally enters into a sub-advisory agreement directly with an ETF's, UCITS' and/or hedge fund's primary adviser for its services. Such agreements contain VIA's sub-advisory fees, which are negotiated on a case-by-case basis. Such fees are generally not disclosed in such funds' offering documents, but rather only contain a discussion of VIA's sub-advisory services. The ETFs and UCITS do not charge incentive fees; and while the hedge fund may charge an incentive fee, VIA does not receive any such fee.

Separately Managed Accounts

Laddered Bond Portfolios

The sub-advisory fee for LBP 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. Institutional accounts may be charged a negotiated fee.

Such sub-advisory 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 sub-advisory fee is payable in proportion to the number of days in the quarter for which you are a client. Our sub-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 sub-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 sub-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.

Conscience PortfoliosTM

The sub-advisory fee for CP is typically 0.20% for the first \$20 million in assets under management, to 0.15% on the next \$20 million, to 0.10% on assets under management exceeding \$40 million on an annual basis. Such fees are negotiable on a case-by-case basis.

All sub-advisory fees are payable quarterly in advance 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 sub-advisory fee is payable in proportion to the

number of days in the quarter for which the SMA is sub-advised by VIA. VIA requires a minimum quarterly sub-advisory fee of \$250 (\$1,000 per annum).

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

Our sub-advisory agreement may be terminated by either the third-party manager or VIA upon 61-days written notice to the other party. The SMA will incur a *pro rata* charge for services rendered prior to the termination of the sub-advisory relationship, which means the SMA will incur sub-advisory fees only in proportion to the number of days in the quarter for which the SMA is a client.

Other Fees for Separately Managed Accounts

SMAs typically bear certain expenses in addition to investment advisory fees you pay to your primary adviser and our separate sub-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. Fees, if any, paid by you to your primary adviser and/or broker-dealer/custodian are separately negotiated by you and your primary adviser and/or broker-dealer/custodian. VIA is not a party to those separate agreements.

CP account owners will also enter in an investment advisory agreement with the third-party manager which covers the third-party manager's advisory services. Such manager has negotiated zero brokerage commissions with its preferred custodian that CP may chose for services. While the fee structure of such agreements is outside this brochure, it is relevant to note that such brokerage commission arrangements will not extend to brokers other than the chosen custodian as discussed further in Item 12- Brokerage Practices.

We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian.

When an SMA invests in ETFs, mutual funds, and/or money market funds, the SMA will indirectly bear its proportionate share of any fees and expenses payable directly by such funds (including, for example, the fund's investment advisory fees or applicable Rule 12b-1 fees). This is in addition to VIA's sub-advisory fees or any fees charged by the SMA third-party manager. However, if an SMA invests in the Vident Funds, such investment will not be factored in the overall sub-advisory fees assessed the SMA so as to avoid double-counting of fees paid to VIA and its affiliate VA. When placing SMAs in mutual funds and/or money market funds, VIA intends to utilize no-load share classes (meaning no upfront sales charges or Rule 12b-1 fees) when applicable and the SMAs meet the share classes' investment criteria.

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.

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

VIA does not charge Clients a performance-based or incentive fee.

VIA may manage investments for a variety of clients including ETFs, UCITS, private funds and SMAs. The potential conflicts of interest can arise from the side-by-side management of these clients based on fee structures. VIA has policies and procedures designed and implemented to ensure that all clients are treated fairly and to prevent this conflict from influencing the allocation of investment opportunities among clients. Please see Item 12 – Brokerage Practices below.

Item 7 – Types of Clients

VIA currently provides investment sub-advisory services to ETFs, UCITS, and private funds. VIA also provides investment sub-advisory services to SMAs. Such SMA account owners include individual, high net worth individuals, charitable organizations and corporations or other entities.

VIA requires an LBP client to have a minimum of \$300,000 in investable assets. The minimum is negotiable.

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

Investment Strategies**Funds**

With regard to the Funds, VIA does not have any specific proprietary investment strategies; VIA tracks the underlying benchmarks, indices, investment models or other applicable investment mandates of the Funds. Where Funds seek to track the performance, before fees and expenses, of an index, VIA may use a “replication” strategy to achieve its investment objective, meaning it will invest in all of the component securities of the index, or a “representative sampling” strategy, meaning it may invest in a sample of the securities in the Index whose risk, return and other characteristics closely resemble the risk, return and other characteristics of the index as a whole.

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

Investors should refer to a Fund’s offering documents for further information concerning its investment strategy.

Separately Managed Accounts**Laddered Bond Portfolios**

With respect to the LBP, VIA maintains a municipal laddered bond strategy, a taxable laddered bond strategy, and a custom laddered bond strategy (in certain circumstances) that can be tailored to the cash flow needs of the individual SMA client. The average duration of bonds within each type of LBP can vary from one to ten years but is typically at or around four years.

The municipal bond strategy accounts utilize federal tax-exempt municipal bond securities. The 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 SMA'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 SMA's taxable-equivalent yield from the portfolio.

Conscience Portfolios™

With respect to the CP, each account will be able to select an investment strategy model offered by a third-party manager. VIA will implement the management and trading of the selected investment strategy model, taking into consideration established investment guidelines and/or restrictions, capital gains tax schedules, and CP requirements established by the SMA.

VIA may use any asset class or investment vehicle, including equities, ADRs, fixed income, ETFs (including the Vident Funds), mutual funds, and money market funds. For most SMAs, equity securities listed outside of the U.S. are cost prohibitive to trade with the SMA's custodian (due to commission rates and foreign exchange transaction fees), therefore VIA anticipates using ADRs and ETFs to gain exposures to non-U.S. securities. VIA maintains a curated list of ADRs for use in CP portfolios. The full set of ADRs is first optimized in a portfolio to emulate the desired international exposures, and then that portfolio of ADRs becomes the target exposure used in the CP portfolio optimization. When using ETFs, VIA will search for funds that have a tracking error reasonable for the SMA's investment strategy benchmark, while also taking into consideration the fund's total expense ratio.

VIA does not generally anticipate investing SMAs in the Vident Funds. However, in certain cases, VIA may find that the SMA account size warrants investment in the Vident Funds to assist in limiting tracking error against the SMA's intended investment strategy benchmark. In such cases, VIA will not include such Vident Fund investments in the calculation of the SMA sub-advisory fee as discussed above in Item 5 – Fees and Compensation.

VIA will also exclude certain securities from a SMA's account as instructed by the SMA. This exclusion will be either by a SMA requesting certain securities be removed, or by removing certain business types selected by a SMA according to their conscience portfolio selection. Such exclusions will be discussed between the SMA account owner and the third-party manager. VIA will typically not have any immediate contact with the SMA account owner, and will work with the third-party manager on matters affecting the account.

Certain CPs may seek to impose certain environmental, faith-based, governance, and/or social screens chosen from a menu of options presented to the SMA at the time of its account opening; though the SMA may change its selection(s) at any time. Such options and screens are based on the methodologies presented and implemented by a third-party vendor, Morningstar, as captured through VIA's order management system. A SMA's perception may differ from VIA's or the third-party vendor's on how to judge an issuer's adherence to conscience portfolio principles. While SMAs cannot customize or edit the methodologies of the environmental, faith-based, governance, and/or social screens used on its account, the SMA can direct that certain distinct issuers be held or not be held.

SMAs may look to utilize subscriptions in-kind to fund the opening of their accounts. In some instances, the securities being transferred may not be appropriate for the new account's investment

strategy. VIA will work with the third-party manager to understand the SMA's tax budget (i.e., ability to realize capital gains) to assist VIA in setting an investment plan of bringing the SMA in-line with its intended investment strategy.

VIA has developed risk management systems that allow investment personnel to monitor tracking error, factor exposure, beta, and scenario analysis. Investment personnel review such reports as necessary and during their quarterly meetings.

Under certain circumstances, SMAs may request that VIA's discretionary authority be limited as to certain assets in the account, while retaining discretion over other portions of the account. Such assets are commonly referred to as "Unsupervised Assets." SMAs agree that VIA will have no fiduciary obligation as to, or discretion over, Unsupervised Assets. VIA may agree to hold Unsupervised Assets together with supervised assets as an accommodation to the SMA, but VIA has the right to reject doing so. In particular, SMAs should expect VIA not to provide investment advice, vote proxies, or advise as to or effect corporate action decisions with regard to such assets.

Investment Risks

All investing involves risks, including the permanent loss of capital. VIA does not guarantee the future performance of a Fund or SMA, the success of any investment decision or strategy, the reduction of tracking error, or the success of the overall management of a Fund or SMA. Clients should understand that investment decisions made for their accounts by VIA are subject to various market, liquidity, commodity, currency, economic, political, and business risks, and that those investment decisions will not always be profitable. Clients should be prepared to bear the risk of loss that accompanies investing in securities, as well as other burdens and risks associated with ownership of securities, including tax reporting, litigation, and safekeeping.

While the Funds and SMAs may share similar investment risks, the following focuses on those investment risks applicable to the sub-advised SMAs. With respect to the Funds, key investment and other risks are set forth in each Fund's offering documents (i.e., prospectus and Statement of Additional Information). VIA encourages a review of such documents to fully understand the risks of the Funds prior to any potential investment.

Cybersecurity Risk

VIA and its service providers are subject to risks associated with a breach in cybersecurity. Cybersecurity is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs and data from both intentional cyber-attacks and hacking by other computer users as well as unintentional damage or interruption that, in either case, can result in damage or interruption from computer viruses, network failures, computer and telecommunications failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes.

A cybersecurity breach could expose both VIA and its clients to substantial costs (including, without limitation, those associated with forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, litigation, adverse investor reaction, the dissemination of confidential and proprietary information and reputational damage), civil liability as well as regulatory inquiry and/or action. In addition, any such breach could cause substantial withdrawals from a client account. While VIA has established a business continuity plan in the event of, and risk management strategies, systems,

policies and procedures to seek to prevent, cybersecurity breaches, there are inherent limitations in such plans, strategies, systems, policies and procedures including the possibility that certain risks have not been identified. Furthermore, VIA and its clients cannot control the cybersecurity plans, strategies, systems, policies and procedures put in place by other service providers to the clients and/or the issuers in which clients invest.

Business, Terrorism and Catastrophe Risks

Clients will be subject to the risk of loss arising from exposure that it may incur, indirectly, due to the occurrence of various events, including hurricanes, earthquakes, and other natural disasters, terrorism and other catastrophic events such as a pandemic. These catastrophic risks of loss can be substantial and could have a material adverse effect on VIA's business and clients' portfolios including investments made by VIA.

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, LBP portfolios will generally be constructed using non-callable bonds.

Conscience Portfolios Risk

Certain SMAs may impose certain environmental, faith-based, governance, and/or social screens. Such screens may lessen the universe of investments than that of other SMAs and therefore the SMA's implemented strategy may underperform the market as a whole if such investments underperform the market. The SMA may forgo opportunities to gain exposure to certain attractive companies, industries, sectors or countries and it may choose to sell a security when it might otherwise be disadvantageous to do so. Responsible investing and screening are subjective by nature, and VIA relies on screening methodologies provided by a third-party vendor. A SMA's perception may differ from VIA's or the third-party vendor's on how to judge an issuer's adherence to responsible investing principles.

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 LBP portfolios 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

To the extent the CPs invest in stocks of foreign corporations, the CPs' investment in securities of foreign companies may be in the form of depository receipts or other securities convertible into securities of foreign issuers; normally via ADRs. ADRs are dollar-denominated receipts representing interests in the securities of a foreign issuer, which securities may not necessarily be denominated in the same currency as the securities into which they may be converted. ADRs are receipts typically issued by U.S. banks and trust companies which evidence ownership of underlying securities issued by a foreign corporation. Generally, ADRs in registered form are designed for use in domestic securities markets and are traded on exchanges or over-the-counter in the U.S. The CPs will not invest in any unlisted Depository Receipts or any Depository Receipt that VIA deems to be illiquid or for which pricing information is not readily available.

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 SMA portfolios will hold high quality issues to minimize this risk.

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 SMA 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. Fixed income securities' prices and interest rates move in the opposite direction of one another, meaning as one rises, the other falls.

Exchange-Traded Fund Risk

As with all ETFs, their shares may be bought and sold in the secondary market at market prices. Although it is expected that the market price of an ETF's shares will approximate the fund's net asset value ("NAV"), there may be times when the market price of shares is more than the NAV

intra-day (premium) or less than the NAV intra-day (discount) due to supply and demand of shares or during periods of market volatility. This risk is heightened in times of market volatility, periods of steep market declines, and periods when there is limited trading activity for shares in the secondary market, in which case such premiums or discounts may be significant.

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 LBP may invest 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.

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 SMA 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 SMA 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

The securities of 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.

Mid-Capitalization Risk

The securities of mid-capitalization companies may be more vulnerable to adverse issuer, market, political, or economic developments than securities of large-capitalization companies, but they may also be subject to slower growth than small-capitalization companies during times of economic expansion. The securities of mid-capitalization companies generally trade in lower volumes and are subject to greater and more unpredictable price changes than large capitalization stocks or the stock market as a whole, but they may also be nimbler and more responsive to new challenges than large capitalization companies. Some mid-capitalization companies have limited product lines,

markets, financial resources, and management personnel and tend to concentrate on fewer geographical markets relative to large-capitalization companies.

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. 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.

Portfolio Turnover Risk

Certain investment strategy models are rebalanced on a pre-determined schedule by the third-party manager, which may result in the account experiencing excess portfolio turnover. Excessive portfolio turnover may also occur if a SMA funds its new account with securities for another account that do not meet the criteria for the selected investment strategy or environmental, faith-based, governance, and/or social screens chosen by the SMA. The greater portfolio turnover, the greater the transactions costs (applicable to situations where trades are not executed with the SMA's chosen custodian) 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.

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 SMAs 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 of 1933, and are subject to restrictions on resale. They are eligible for sale only to certain qualified institutional buyers, like the private funds sub-advised by VIA, 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

The 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 Harvesting

VIA reviews SMA tax harvesting (i.e., effect or order a transaction so as to realize a loss or gain) requests to ensure that the account is discretionarily managed by VIA and that the tax harvesting instructions provided are clear and precise. If VIA deems such instructions to be clear and precise, then it will make reasonable efforts to process the tax harvesting request within stated guidelines. However, SMAs should be aware that events such as market changes (during the period before instructions are complied with and decisions are made) may increase or reduce the amounts of losses and gains that are realized from the SMA's portfolio at any time. Additionally, this activity may adversely affect the portfolio's performance and may increase the volatility of its results. SMAs are reminded to consult a tax advisor prior to making any tax harvesting request, as VIA does not provide tax advice. Although VIA will make reasonable efforts to avoid wash sale rule violations, VIA cannot guarantee that wash sale rule violations will not occur during tax loss harvesting activity. In some cases, VIA may execute a trade that will generate a wash sale rule violation when it deems this in the best interest of the SMA. Furthermore, since tax laws are subject to change, future tax liabilities may increase and therefore tax loss harvesting may not result in the anticipated benefits. Finally, there is no guarantee that the IRS will not limit and/or prohibit recognition of realized losses.

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.

Item 9 – Disciplinary Information

Not applicable.

Item 10 – Other Financial Industry Activities and Affiliations

In addition to our status as a registered investment adviser with the SEC, VIA is registered as a Commodity Trading Adviser with the Commodity Futures Trading Commission and is a member of the National Futures Association.

VIA is a wholly owned subsidiary of Vident Financial. Vident Financial is a wholly owned subsidiary of Vident Investors' Oversight Trust ("VIOT"). Vident Holdings, LLC, a dormant non-profit Georgia corporation is the sole beneficiary of VIOT. Vince L. Birley, Brian L. Shepler and Mohammad I. Baki serve as the trustees of VIOT. Mr. Shepler is an executive of Thrivent Trust Company and Thrivent Trust Company of Tennessee, Inc. Thrivent Trust Company is a control person of the Vident Funds as disclosed in the Vident Funds Statement of Additional Information. Any potential material conflicts of interest related to the Thrivent Trust Company relationship with the Vident Funds are addressed pursuant to the ESS compliance policies and procedures. Any potential material conflicts of interest related to Mr. Shepler serving as a Trustee of VIOT would be addressed by the VIOT Board of Trustees in consultation with outside legal counsel.

Vident Financial develops indices against which the Vident Funds are managed. VIA, VA 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.

VA, an affiliate of VIA and Vident Financial, is the investment adviser to the Vident Funds.

ALPS acts as distributor of the Vident Funds. Certain Vident Financial and VIA employees are registered representatives of ALPS and are salaried employees. As such, these individuals do not receive commissions, fees or other remuneration in connection with securities transactions.

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

VIA has adopted a Code of Ethics ("Code"), pursuant to Rule 204A-1 under the Investment Advisers Act of 1940 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 and Rule 17j-1; and
- 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”, or (iii) a security in a limited offering (generally meaning a private placement, such as a hedge fund or private equity fund). Employees are prohibited from acquiring a security in an initial public offering.

Employees are subject to certain restrictions as to the purchase and sale of their personal security holdings to the extent that a client 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 non-public information.

VIA will provide a copy of its Code 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.

VIA does not have a material interest in any securities traded in a client’s account and does not engage in principal transactions with its clients. A principal transaction is one in which VIA or an affiliate of VIA sells or purchases a security for its own account, and the other party to the transaction is a VIA client.

Item 12 – Brokerage Practices

VIA has discretion in deciding what brokers-dealers clients will use and in negotiating rates of brokerage compensation (subject to any restrictions agreed on between VIA and an applicable client). For SMAs, VIA is generally restricted to trading with the applicable SMAs custodian.

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; though VIA may be limited in this regard as detailed below under “Directed Brokerage”.

While trade price is often a significant quantitative factor in best execution, VIA also evaluates qualitative execution factors, such as execution capability overall, order flow in a stock – market making capabilities, promptness of execution, the ability to access various market centers, the ability to execute non-standard transactions, the ability to successfully process allocations and block trades, broker quality overall, client service and reporting, data security and protection of client personal information, the financial condition of the broker, the ability or willingness to maintain and commit adequate capital when necessary to complete trades, technology integration capabilities, fee structure and reputation and integrity of the broker. The determining factor is not the lowest possible commission cost alone.

Soft Dollars

VIA utilizes research, research-related products and other brokerage services on a soft dollar commission basis. The term “soft dollars” refers to the receipt by VIA of products and services provided by such brokers without any cash payment by VIA or a Fund, based on the volume of revenues generated from brokerage commissions for transactions executed for certain Funds (as permitted by the Fund client). Section 28(e) of the Securities Exchange Act of 1934 as amended provides a “safe harbor” to investment managers who use soft dollars generated by their advised accounts to obtain investment research and brokerage services that provide lawful and appropriate assistance to the investment manager in the performance of investment decision making responsibilities. Such uses of soft dollars are not within the safe harbor afforded by Section 28(e) in the event VIA elects to use soft dollars for payment of all or a portion of VIA’s non-research related services or products).

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 Fund 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 Fund’s interest in receiving the most favorable execution. Funds 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 Fund commissions and the non-eligible portion, e.g., computer hardware, accounting systems, etc., which is not eligible for the Section safe harbor provided under Section 28(e) 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 does not generally aggregate orders as it generally does not have more than one account with the same investment strategy and has limited scenarios where aggregation is feasible. Trade orders are generally processed and executed in the order received. As a result of VIA not generally aggregating orders, a client account may have a different net execution cost and/or average price, which may be more or less favorable. Not aggregating orders also presents the possibility of the undesirable scenario of having more than one order in the market competing against each other. In addition, VIA may realize certain operational efficiencies by not aggregating Fund orders as aggregating Fund orders may not be practical due to the fact that different orders can arrive and be generated at different times in day.

VIA may aggregate SMA trades when such aggregation is expected to be in the best interest of all participating SMAs. The custodian also has the ability to “super batch” transactions received throughout the day from VIA which will include all intended accounts and provide them an average execution price, and a *pro rata* share of commissions (if applicable). VIA will consider each participating account’s size, diversification, cash availability, investment objectives, and any other relevant factors, when placing trades. In particular, VIA may provide a greater than *pro rata* allocation of aggregated trades to new SMA accounts that are not yet fully invested, as well as pre-existing accounts that have received additional uninvested SMA capital.

If the trade is fully filled by the end of the day, VIA will provide the executing broker-dealer the pre-trade allocation instructions for order fulfillment. If the trade is partially filled at the end of the day, VIA will instruct the broker-dealer to allocate the trade *pro-rata* based on the written pre-allocation. *De minimis* deviations from the pre-allocation are permitted in the interest of placing round lots in SMA accounts.

If investment personnel receive a new trade order for an investment where a block trade is already pending, investment personnel will instruct the broker-dealer to allocate all interests already traded to the original block’s participants on a *pro-rata* basis, and will then form a new block that includes the new participants’ order, as well as the unfilled portion of the original participants’ order.

When placing SMA transactions through multiple broker-dealers (should this occur in a “trade away” scenario), VIA will use a rotation schedule designed to be fair to all SMAs over time.

All accounts participating in a block trade must receive the average price and pay a proportional share of any commission, subject to minimum ticket charges.

VIA will seek to allocate trades in a manner that is fair to all SMAs, and will never allocate trades based on an account’s performance or fee structure.

Directed Brokerage

The SMAs in their agreement with the third-party manager must select a single custodian to effect all equity, ETF, mutual fund and/or money market trades, which is provided on a zero-commission basis. VIA is not involved in the custodian selection process, and has no ability to suggest alternative custodians, or negotiate any fees, rates, or commissions with said custodian. The custodian’s execution procedures are designed to make every attempt to obtain the best execution possible, although there can be no assurance that it can be obtained. SMAs should consider whether the appointment of the single custodian as the sole broker for such trading may result in certain costs or disadvantages to the SMA as a possible result of less favorable executions. Execution through a broker other than the designated custodian will increase costs to the client due to incurred trade away fees and brokerage commissions (discussed below) associated with trades executed through a broker-dealer other than the designated custodian and does not include markups and markdowns. Because of this, in order to minimize a SMA’s trading costs, most trades for SMAs are executed through the designated custodian.

In other instances where VIA begins with the ability execute with broker-dealers of its choice, a client may also direct VIA to effect transactions in their account through a specific broker-dealer. Under such a directed brokerage arrangement, the client is responsible for negotiating terms for

their account directly with the broker-dealer. VIA will only direct brokerage pursuant to specific instructions that have been signed and dated by the client.

For accounts subject to directed brokerage arrangements, VIA will not aggregate trades or seek better execution services or prices from other broker-dealers. VIA will place trades on behalf of accounts subject to directed brokerage arrangements after trading on behalf of other accounts. Consequently, VIA may not obtain best execution on behalf of clients that direct brokerage; such clients may pay materially disparate commissions, greater spreads, or other transaction costs, or receive less favorable net prices on transactions than would otherwise be the case.

In order to meet directed brokerage mandates and trade in an efficient manner, VIA may ask clients that direct brokerage to permit the use of “step-out” trades.

Regarding the Vident Funds, VIA will not consider any sale or promise to sell shares of the Funds by a broker-dealer when considering to use such a broker-dealer to transact transactions for the Funds.

Principal Trades and Cross Trades

VIA will not enter into any principal trades with clients, nor enter into any cross trades between SMA accounts. VIA has the ability to enter into cross trades involving the Funds pursuant to the Funds’ policies and procedures.

Brokerage for Client Referrals

VIA does not receive client referrals from broker-dealers or third parties in exchange for selecting or recommending a broker-dealer.

Trade Errors

As a fiduciary, VIA seeks to exercise utmost care in making and implementing investment decisions for client accounts. Nonetheless, from time to time a trade error may occur. When trade errors occur, VIA seeks to promptly correct such errors to minimize client impact. Where an error results in net loss to a client, VIA will reimburse the client. For this purpose, the economic effect (including costs) of all related transactions (i.e., the erroneous trade(s) and any related corrective trade(s) or other remedial actions) are considered. Where an error results in a net gain to a client, the client will generally retain the net gain. However, when retaining the net gain is inconsistent with applicable law, creates adverse tax consequences, or is inconsistent with a client’s policies (e.g., socially responsible investing clients), clients may renounce the gain and such gains may be donated to charity.

Item 13 – Review of Accounts

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 fund clients any time there is a material change to each relevant prospectus or statement of additional information.

The securities broker-dealer, through whom a SMA'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 SMA 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.

Item 14 – Client Referrals and Other Compensation

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

Item 15 – Custody

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.

VIA is not deemed to have custody of the Vident Funds' funds and securities as these are maintained at a qualified custodian and subject Section 17(f) of the Investment Company Act of 1940 and the rules thereunder.

Item 16 – Investment Discretion

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 discretion to determine:

- Securities to be bought or sold for SMA accounts;
- Amount of securities to be bought or sold for SMA 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 (when trading away from a SMA's custodian).

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.

Item 17 – Voting Client Securities

Currently, VIA does not vote proxies for any clients other than CP.

For CP, it is expected that such SMAs will grant VIA the authority to vote proxies on the account's behalf, with the exception of those Unsupervised Assets discussed above in Item 8 – Methods of

Analysis, Investment Strategies and Risk of Loss. To carry out such authority out, VIA has determined to delegate the proxy voting process to its affiliate VA subject to VA's adopted proxy voting policies and procedures (inclusive of how to address material conflicts) and the Vident Proxy Voting Guidelines. Such delegation is included in VIA's sub-advisory agreement with the CP third-party manager. VIA will oversee VA's proxy voting activities. A summary of VA's proxy voting policies and procedures follow below.

VA's policies and procedures are designed to ensure that proxies are voted in the best interests of clients without regard to any relationship that any client or affiliated person may have with the issuer of the security and with the goal of maximizing value to clients consistent with governing laws and the investment policies of each client. While securities are not purchased to exercise control or to seek to effect corporate change through share ownership activism, VIA and VA support sound corporate governance practices within companies in which clients invest.

VA's Proxy Voting Committee is responsible for overseeing the proxy voting process and ensuring that the voting process is implemented in conformance with established policies and procedures. The committee has developed custom proxy voting guidelines which are reviewed at least annually by the Proxy Voting Committee. VA has hired a third-party proxy voting administrator to assist in the implementation of the proxy voting process pursuant to VA's custom proxy voting guidelines. The Proxy Voting Committee shall also be responsible for overseeing the third-party proxy voting administrator to determine that it accurately applies the custom proxy voting policies and operates as an independent proxy voting agent. VA's oversight process of the proxy voting administrator includes an assessment of its policies and procedures, including conflict controls and monitoring, receipt and review of routine performance-related reporting, and periodic due diligence meetings.

While VA uses its reasonable best efforts to vote proxies, in certain circumstances, it may be impractical or impossible for VA to vote proxies (e.g., limited value or unjustifiable costs). Proxy voting in certain countries requires 'share blocking'. Shareholders wishing to vote their proxies must deposit their shares with a designated depositary before the date of the meeting. Consequently, the shares may not be sold in the period preceding the proxy vote. Absent compelling reasons, VA believes that the benefit derived from voting these shares is outweighed by the burden of limited trading. Therefore, if share blocking is required in certain markets, VA may not participate and refrain from voting proxies for those clients impacted by share blocking.

As a general matter, securities on loan will not be recalled to facilitate proxy voting (in which case the borrower of the security shall be entitled to vote the proxy).

VIA or VA may have a conflict of interest regarding a proxy to be voted upon if, for example, VIA, VA or their affiliates have other relationships with the issuer of the proxy. In most instances, conflicts of interest are avoided through a strict and objective application of VA's custom proxy voting guidelines. However, when the third-party proxy voting administrator is aware of a material conflict of interest regarding a matter that would otherwise require a vote by the Proxy Voting Committee or that, in the determination of the Proxy Voting Committee, otherwise warrants the taking of additional steps to mitigate the conflict, the Proxy Voting Committee or the third-party proxy voting administrator shall address the material conflict by using any of the following methods: (i) instructing the third-party proxy voting administrator to vote in accordance with the recommendation it makes to its other clients; (ii) disclosing the conflict to such SMA and obtaining their input and/or consent before voting; (iii) engaging an independent fiduciary who will direct the Proxy Committee how to vote on such matter; (iv) consulting with outside counsel for guidance on resolution of the conflict of interest; (v) erecting information barriers around the person or persons

making voting decisions; (vi) voting in proportion to other shareholders ("mirror voting"); or (vii) voting in other ways that are consistent with VA's obligation to vote in the best interests of its clients.

For information concerning how VIA, through VA, voted on any particular proxy matter, or to obtain a copy of VIA's or VA's proxy voting policy, please contact us via the contact information on the cover page of this brochure.

VIA votes 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).

Item 18 – Financial Information

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.

Item 19 – Requirements for State-Registered Advisers

Not applicable.