

Red Rocks Capital, LLC

1290 Broadway, Suite 1000
Denver, CO 80203

March 31, 2022

Part 2A Brochure

This brochure provides information about the qualifications and business practices of Red Rocks Capital, LLC. If you have any questions about the contents of this brochure, please contact us at 303-679-8252. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about Red Rocks Capital, LLC is available on the SEC’s website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for Red Rocks Capital is 135117.

Red Rocks Capital, LLC is registered with the SEC as an investment adviser; please note that registration does not imply a certain level of skill or training.

Item 2 Material Changes

Red Rocks Capital, LLC is required to disclose material changes to each annual update to its Form ADV Part 2A (the “Brochure”).

This section of the Brochure addresses only those “material changes” that have been incorporated since our last delivery or posting of this document on the SEC’s public disclosure website (IAPD) www.adviserinfo.sec.gov.

The last annual update to Form ADV Part 2A was filed on March 30, 2021. There have been no material changes since then.

If you would like another copy of this Brochure, please download it from the SEC Website as indicated above or you may request a copy by calling Red Rocks at 303-679-8252.

We may, at any time, update this Brochure.

We encourage you to read this document in its entirety.

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Item 4 **Advisory Business**

This Disclosure document is being offered to you in connection with the investment advisory services provided by Red Rocks Capital, LLC (“Red Rocks”) to provide you with information about the services we provide and the manner in which those services are made available to you, the client.

We are a fee-based investment management firm located in Denver, Colorado, specializing in Listed Private Equity securities. The firm was established in 2003. On July 31, 2015, ALPS Advisors, Inc. (“AAI”), an investment adviser registered with the SEC, acquired Red Rocks. AAI is a subsidiary of ALPS Holdings, Inc., which in turn is a subsidiary of DST Systems, Inc. (“DST”), which in turn is a wholly owned subsidiary of SS&C Technologies, Inc. SS&C Technologies, Inc. is a wholly owned subsidiary of SS&C Technologies Holdings, Inc. (Nasdaq: SSNC) (“SS&C”).

Red Rocks Capital has developed a proprietary database that identifies companies that pursue a highly disciplined and flexible capital allocation process, choosing investment projects that provide a high return on invested capital (“ROIC”).

This approach utilizes a longer term investment horizon and capital return assumptions that is not restricted to any particular industry, geography, or business function. In addition, companies in the portfolio have often used M&A to enhance the competitive position of their businesses.

We have coined the term “unconstrained capital allocation” to describe these companies and believe that it is this capital allocation process which can provide attractive risk-adjusted returns for investors.

In creating our extensive and proprietary database of companies with an unconstrained capital allocation process, we look for companies with the following characteristics:

- Business model with centralized capital allocation and decentralized operations
- Flexibility to allocate capital across a broad opportunity set
- Track record of evolving portfolio through M&A
- Unconstrained by legacy businesses and product cycles

From this list of approximately 500 companies, we develop a focus list of 75-100 companies using the following quantitative and qualitative characteristics:

- Track record of high ROIC over longer investment cycles
- Track record of consistently growing book value
- Alignment of interests between management and shareholders
- High quality management teams
- Valuations

In constructing the portfolio, we analyze companies in the focus list for possible inclusion in the portfolio. This analysis includes:

- Valuations and growth potential
- Outlook and alignment with our portfolio strategy
- Investment horizon and holding period
- Potential diversification benefits for portfolio
- Other considerations such as: geography, industry, size, currency exposure

The result of our research is a highly diversified portfolio of 40 to 60 securities.

Separately Managed Accounts (SMAs)

We may offer discretionary investment management and investment supervisory services for a fee based on a percentage of assets under management for the assets placed under our supervision. We would trade these portfolios on a discretionary basis, where you authorize us to make all investment decisions for your account. You are advised and expected to understand that our past performance is not a guarantee of future results and that certain market and economic risks exist that may adversely affect your account's performance and could result in capital losses in your account. Generally, we would manage pursuant to a specific model and our services are, therefore, rarely tailored to your individual needs.

SMA Advisory Agreements

All advisory services would be provided under the terms of an advisory agreement between Red Rocks and you, the separate account client. The advisory agreement generally would permit either the client or Red Rock to terminate the agreement upon written notice to the other party. In certain cases, specified advance notice of termination may be required pursuant to the advisory agreement.

Investment Pools

In addition to the separate account services described above, we currently provide sub-advisory services to mutual funds and may provide advisory or sub-advisory services to other investment pools (including, but not limited to, commingled funds, collective investment trusts and other public or private investment companies) sponsored by us or unaffiliated third-parties. Information concerning these funds and investment pools, including a description of the services we provide and advisory fees paid to us are contained in each fund's prospectus or investment pool's offering documents.

Global Listed Private Equity Index

Red Rocks has developed and maintains the Red Rocks Global Listed Private Equity Index (the "Index"). The Index is the basis for an exchange-traded fund which is managed by an unrelated party (the "ETF Provider"). We receive a quarterly, asset-based licensing fee from the ETF Provider for the right to use the Index data in its product.

Wrap Fee Programs

We do not participate in wrap fee programs.

Assets Under Management

As of February 28, 2022, Red Rocks had the following client assets under management:

Discretionary Assets	\$125,643,754
Non-Discretionary Assets	\$0
Total Assets Under Management	\$125,643,754

Item 5 Fees and Compensation

Separately Managed Accounts

Our fee would include compensation for the advisory and consulting services we provide and trade entry and other account-related services. There are no redemption/exit fees or transaction fees charged by us. However, your custodian may charge custodial fees, transaction fees, redemption fees or commissions. These fees are independent of our fee and should be disclosed by your custodian.

The fees for accounts will be based on an annual percentage of assets under management. The fees are applied to your account asset value on a prorated basis, billed quarterly in arrears. The initial fee will be based on the market value of the account on the last day of the calendar quarter in which the transfer occurs and then prorated for the number of days in the quarter that your account is under management. Thereafter, the fee is based on the market value of the account on the last day of the previous calendar quarter and covers the period from the first day of the calendar quarter through the last day of the calendar quarter. The market value is determined as reported by your Custodian. Fees are assessed on all assets under management, including securities, cash and money market balances.

Fees may vary based on the size of the account, complexity of the portfolio, extent of activity in the account or other reasons agreed upon by Red Rocks and you. The investment management fee schedule for an account will generally be 0.55% to 0.85%. In certain circumstances, fees may be negotiated.

You authorize your custodian to deduct our management fees from your account and to pay us the management fee for each three-month period. We will send you a quarterly statement showing the amount of the management fee due, the account value on which the fee is based and how the fee is calculated. You are responsible for verifying fee computations since your custodian is not typically asked to perform this task. Your custodian will also send you a quarterly statement showing all amounts paid from your account including our management fees paid by your custodian to our firm and any additional fees and expenses paid to others (see "Additional Fees and Expenses" section below).

Either Red Rocks or you, upon written notice from the terminating party or the other party, may terminate your agreement. Any fees due to Red Rocks will be prorated and deducted from your account. Upon termination, you are responsible for monitoring the securities in your account, and Red Rocks as investment adviser will have no further obligation to act or advise with respect to those assets.

Red Rocks will maintain all the information initially provided by you in setting up the account. Red Rocks requires an initial account value of \$25,000,000; however, we may accept accounts for less than this minimum.

Investment Pools

In addition to the separate account services described above, we provide sub-advisory services to mutual funds and may provide advisory or sub-advisory services to other investment pools (including, but not limited to, commingled funds, collective investment trusts and other public or private investment companies) sponsored by Red Rocks or unaffiliated third-parties. Information concerning these funds and investment pools, including a description of the services we provide and advisory fees payable to us are contained in each fund's prospectus or investment pool's offering documents.

In addition, all fees paid to Red Rocks for investment advisory services are separate from any fees and expenses charged by the underlying funds (other pooled investment vehicles in which a Red Rocks portfolio may invest). A complete explanation of the expenses charged by the sub-advised Funds is contained in each fund's prospectus.

Listed Private Equity Index

Red Rocks maintains a global Listed Private Equity index. The Red Rocks Global Listed Private Equity Index, is the basis for an Exchange Traded Fund which is managed by an unrelated party (the ETF Provider). We receive a quarterly, asset-based licensing fee from the ETF Provider for the right to use the Index data in its product. Index membership and maintenance is determined by the Index Committee. The Index is rebalanced at the end of each calendar quarter. There are no intra-quarter additions. Intra-quarter deletions occur only following de-listings from major stock exchanges.

The re-balancing of an Index within Red Rocks is done by index personnel (known as “Index Personnel”). Composing and calculating the Index requires that a rigorous methodology is implemented to ensure consistency and to eliminate any potential conflicts of interest between Red Rocks’ personnel.

The portfolio managers of an actively managed registered investment company, commingled funds, or a collective investment trust (each a “Fund”) for which Red Rocks is an adviser or sub-adviser (the personnel charged with making purchase/sales decisions of individual securities within the Fund(s), known as “Actively Managed Fund Personnel”) will not have access to, or provide any input regarding, any changes to an Index (additions, subtractions and re-weightings) in advance of public dissemination, however, due to the small size of Red Rocks, Index Personnel may report to a portfolio manager.

Only Index Personnel, the Red Rocks’ Chief Compliance Officer, including his compliance personnel, and Operations personnel (need-to-know personnel) may have access to index constituent changes in advance of the general public. Compliance and Operations personnel will only provide cursory reviews of the proposed Index changes prior to being disseminated to the Index licensor/licensees, to ensure accuracy and completeness. At no point will Compliance or Operational personnel provide input as to the Index constituents.

To ensure that communications and information regarding non-public index information does not occur between the Index Personnel and the Actively Managed Fund Personnel, several controls have been put into place including, but not limited to:

- Electronic Controls – Separate systems and file spaces used by the Index Personnel that only need-to-know personnel may access;
- Email reviews of Index Personnel and Actively Managed Fund Personnel to ensure material non-public information is not distributed; and
- Compliance monitoring after rebalance to ensure that any material changes in the Index constituent vis-à-vis the Fund holdings do not create a conflict.

Additional Fees and Expenses

Advisory fees payable to us do not include all the fees you will pay when we purchase or sell securities for your Account(s). The following list of fees or expenses are what you may pay directly to third parties, whether a security is being purchased, sold or held in your Account(s) under our management.

- Brokerage commissions;
- Transaction fees;
- Exchange fees;
- SEC fees;
- Advisory fees and administrative fees charged by Mutual Funds (MF) or Exchange-Traded Funds (ETFs);
- Advisory fees charged by sub-advisers (if any are used for your account);
- Custodial Fees;
- Deferred sales charges (on MF or annuities);
- Odd-Lot differentials;

- Transfer taxes;
- Wire transfer and electronic fund processing fees;
- Commissions or mark-ups / mark-downs on security transactions; and
- Foreign taxes on dividends and/or interest income.

Please refer to the “Brokerage Practices” below for discussion of Red Rocks’ brokerage practices.

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

This item does not apply to our business.

Item 7 Types of Clients

We may provide advice to trusts, estates, charitable organizations, investment companies, collective investment trusts, pension plans and corporations. The minimum requirement for opening an account is \$10,000,000. Exceptions may be made to the minimum account size.

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

Methods of Analysis

The method of analysis we use is fundamental. We may attend industry conferences and analyze presentations held on site or at outside locations. We meet with a variety of people within a company that the firm feels can help to develop conclusions regarding their securities.

Red Rocks Capital has developed a proprietary database that identifies companies that pursue a highly disciplined and flexible capital allocation process, choosing investment projects that provide a high return on invested capital (“ROIC”).

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- Valuations and growth potential
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- Investment horizon and holding period
- Potential diversification benefits for portfolio
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The result of our research is a highly diversified portfolio of 40 to 60 securities.

We have a minimum position of 0.3% and a maximum position of 10% in any given security at the time of purchase. The firm also limits emerging markets exposure of the portfolio to <10%. For purposes of determining emerging markets exposure, Red Rocks does not include China, India, Brazil, and South Africa.

We consider the following areas of diversification while constructing the portfolio:

- Stage of investment: All stages of investment with an emphasis on mid-stage to late-stage investments
- Geography: Global coverage of private equity investments
- Industry: Investments in a broad range of industries
- Vintage year: Diversification as to when the actual private investments were made, helping to minimize specific time period risk
- Capital structure: An emphasis on firms that make equity investments in private businesses, with some exposure to debt investments

Investment Strategies

To achieve its objective, the portfolio will invest at least 80% of its assets in securities of U.S. and non-U.S. companies, including those in emerging markets, listed on a national securities exchange, or foreign equivalent, that have a majority of their assets invested in or exposed to private companies or have as their stated intention to have a majority of its assets invested in or exposed to private companies (“Listed Private Equity Companies”). Although the portfolio does not invest directly in private companies, it will be managed with a similar approach: identifying and investing in long-term, high-quality Listed Private Equity Companies. The portfolios will typically invest in securities issued by companies domiciled in at least three countries, including the United States. The portfolios will invest a significant portion of its total assets (at least 40% under normal market conditions) at the time of purchase in securities issued by companies that are domiciled outside the United States. Domicile is determined by where the company is organized, located, has the majority of its assets, or receives the majority of its revenue.

Listed Private Equity Companies may include, among others, business development companies, investment holding companies, publicly-traded limited partnership interests (common units), publicly-traded venture capital funds, publicly-traded venture capital trusts, publicly-traded private equity funds, publicly-traded private equity investment trusts, publicly-traded closed-end funds, publicly-traded financial institutions that lend to or invest in privately held companies and any other publicly-traded vehicle whose purpose is to invest in privately held companies. The determination of whether a company is a Listed Private Equity Company will be made at the time of purchase and a portfolio company’s status will not vary solely as a result of fluctuations in the value of its assets or as a result of the progression of its holdings through the normal stages of a private equity company, including the exit stage. A portfolio company is considered to have a stated intention of investing primarily in private companies if it meets the criteria above under normal circumstances, notwithstanding temporary fluctuations in the public/private values of its private equity portfolio. The inclusion of a company in a recognized Listed Private Equity index will be considered a primary factor in the determination of whether a company is a Listed Private Equity Company.

Risks

Investing in securities involves risk of loss that clients should be prepared to bear. There are principal and material risks involved which may adversely affect the asset value and total return of your portfolio. There are other circumstances (including additional risks that are not described here) which could prevent the portfolio from achieving its investment objective. It is important to read all the disclosure information provided and to understand that you may lose money by investing in the Red Rocks Strategy. Your portfolio may be subject to the following risks:

- Currency Risk – The value of the portfolio’s investments may fall as a result of changes in exchange rates.
- Derivatives Risk – Derivatives involve special risks and costs and may result in losses to the portfolio. The successful use of derivatives requires sophisticated management, and, to the extent that derivatives are used, the portfolio will depend on our ability to analyze and manage derivatives transactions. The prices of derivatives may move in unexpected ways, especially in abnormal market conditions.
- Emerging Markets Risk – To the extent that the portfolio invests in issuers located in emerging markets, the risk of loss may be heightened by political changes and changes in taxation or currency controls that could

adversely affect the values of these investments. Emerging markets have been more volatile than the markets of developed countries with more mature economies.

- Equity Securities Risk – Equity securities may experience sudden, unpredictable drops in value or long periods of decline in value. This may occur because of factors that affect securities markets generally or factors affecting specific industries, sectors or companies such as the portfolio's investments.
- Industry Risk – The portfolio's investments could be concentrated within one industry or group of industries. Any factors detrimental to the performance of such industries will disproportionately impact the portfolio. Investments focused in a particular industry are subject to greater risk and are more greatly impacted by market volatility than less concentrated investments.
- Managed Portfolio Risk – The manager's investment strategies or choice of specific securities may be unsuccessful and may cause the portfolio to incur losses.
- Market Risk – The value of securities may decline due to daily fluctuations in the securities markets that are generally beyond the Red Rocks' control, including fluctuation in interest rates, the quality of the portfolio's investments, investor sentiment and general economic and market conditions, such as national or international political events, natural disasters, and the spread of infectious illness or other public health issue and investor sentiment.
- Non-U.S. Securities Risk – Non-U.S. securities are subject to the risks of foreign currency fluctuations, generally higher volatility and lower liquidity than U.S. securities, less developed securities markets and economic systems and political and economic instability.
- Private Equity Risk – There are inherent risks in investing in private equity companies, which encompass financial institutions or vehicles whose principal business is to invest in and lend capital to privately-held companies. Generally, little public information exists for private and thinly traded companies, and there is a risk that investors may not be able to make a fully informed investment decision. In addition to the risks associated with the portfolio's direct investments, the assets are also subject to the underlying risks which affect the Listed Private Equity Companies in which the portfolio invests. Listed Private Equity Companies are subject to various risks depending on their underlying investments, which could include, but are not limited to, additional liquidity risk, industry risk, non-U.S. security risk, currency risk, valuation risk, credit risk, managed portfolio risk and derivatives risk.
- Small- and Mid-Cap Risk – From time to time, the portfolio may invest significantly in small-capitalization and mid-capitalization stocks, which are often more volatile and less liquid than investments in larger companies. The frequency and volume of trading in securities of smaller and mid-size companies may be substantially less than is typical of larger companies. Therefore, the securities of smaller and mid-size companies may be subject to greater and more abrupt price fluctuations. In addition, smaller and mid-size companies may lack the management expertise, financial resources and product diversification of larger companies, making them more susceptible to market pressures and business failure. Small- and mid-sized companies may appreciate faster than those of larger, more established companies for many reasons. For example, small- and mid-sized companies tend to have younger product lines whose distribution revenues are still maturing.

The underlying investment risks of each registered fund are disclosed in each fund's prospectus and statement of additional information. Please refer to those documents for a detailed explanation of applicable risks for each fund.

Item 9 Disciplinary Information

Registered investment advisers are obligated to disclose any disciplinary event that would be material to a client's evaluation of Red Rocks or the integrity of Red Rocks' management. Red Rocks does not have any legal, financial or other "disciplinary" items to report to you.

Item 10 Other Financial Industry Activities and Affiliations

Red Rocks is affiliated with ALPS Distributors, Inc. (“ADI”) and ALPS Portfolio Solutions Distributor, Inc. (“APSD”) both registered broker-dealers under the Securities Exchange Act of 1934. ADI and APSD are under common control with ALPS Advisors, Inc. (“AAI”), Red Rocks’ parent company and an investment adviser registered with the SEC. AAI is a subsidiary of ALPS Holdings, Inc., which in turn is a subsidiary of DST, which in turn is a wholly owned subsidiary of SS&C Technologies, Inc. SS&C Technologies, Inc. is a wholly owned subsidiary of SS&C (Nasdaq: SSNC).

Red Rocks’ clients may employ the services of ADI or APSD in connection with the promotion and distribution of their fund’s shares. A complete explanation of services rendered is contained in each fund's prospectus.

Red Rocks does not trade through either ADI or APSD as neither broker–dealer trade National Market Securities.

Red Rocks is also affiliated with SS&C Market Services, LLC (“SS&C Market Services”) and Second Street Securities, Inc. (“Second Street”), EZE Castle Transaction Services, LLC, (“EZE Castle”) and EZE Software Group PTY Limited (“EZE Software”) each, a registered broker-dealer under the Securities Exchange Act of 1934 as they are under common control with SS&C. Red Rocks does not trade through SS&C Market Services, Second Street, EZE Castle, or EZE Software.

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

Red Rocks, through its parent company, AAI, has adopted a Code of Ethics (“Code”) for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code requires that our employees act with honesty and integrity, adhere to the highest standards and comply with applicable federal securities laws. All employees must acknowledge the terms of the Code initially upon hire and thereafter annually.

Employees with access to certain information (as determined by their job position or as so designated by the Chief Compliance Officer) may also be deemed to be “Access Persons” or “Investment Persons.” Each such distinction has specific restrictions, limitations, reporting requirements and other policies and procedures that apply to persons defined as such.

Our Code includes the following:

- Requirements related to confidentiality of client information;
- Prohibitions on:
 - Insider trading and tipping (if we are in possession of material, non-public information);
 - The acceptance of gifts and entertainment that exceed our policy standards;
- Requirements and reporting related to gifts and/or business entertainment;
- Pre-clearance of applicable personal securities transactions by “Access and Investment Persons”;
- Reporting of personal securities transactions by employees deemed to be “Access Persons” or “Investment Persons”; and
- On an annual basis, “Access and Investment Persons” must disclose any account in which they have beneficial ownership (they “own” the account or have “authority” over the account) and disclose all covered securities they own at that time.

The Personal Trading Policy prohibits an associated person of our firm from buying or selling any security that we hold or are liquidating, or we contemplate holding or liquidating (the Restricted Securities). The list of Restricted Securities includes the Red Rocks Listed Private Equity Universe. It will be the responsibility of each associated person to insure that any security that is being considered for a transaction is not on the list of Restricted Securities.

To address conflicts related to personal trading, the Code requires any person deemed to be an “Investment Person” to pre-approve many types of securities transactions and imposes holding period requirements. The Code also requires reporting of personal securities transactions by any person deemed to be an “Access Person” or “Investment Person” and Red Rocks reviews such reports. The Code further prohibits a Red Rocks “Investment Person” from buying or selling any security that we hold or are liquidating, or we contemplate holding or liquidating (the “Restricted Securities”). The list of Restricted Securities includes the Red Rocks Listed Private Equity Universe.

Red Rocks’ clients or prospective clients may request a copy of its Code of Ethics policy by contacting Red Rocks at 303-679-8252.

Item 12 Brokerage Practices

When Red Rocks Selects Broker-Dealers

When we have full discretion in the selection of brokers or dealers, we seek to obtain quality execution for security transactions through brokers and dealers who, in our opinion, are financially responsible. Listed Private Equity securities are generally executed on a listed exchange with a brokerage commission paid by the client.

For those clients who grant us discretion to select brokers or dealers, we may aggregate (or “bunch”) multiple account orders into larger blocks for execution. Accounts which participate in such block trades receive the average price of any partial execution of such block trades.

Factors in Selection

In selecting a broker or dealer, we take into account relevant factors with respect to liquidity and execution of the order, as well as the amount of the capital commitment by the broker or dealer. Other relevant factors may include, without limitation: (a) the execution capabilities of the brokers and/or dealers, (b) the size of the transaction, (c) the difficulty of execution, (d) the operations facilities of the brokers and/or dealers involved, and (e) the risk in positioning a block of securities. In selecting brokers or dealers to execute transactions for your accounts, under no circumstances will the firm consider, a broker or dealer’s promotion or sale of shares.

We may receive research services provided by a broker or dealer who executes trades on behalf of our firm. Your account may pay a broker or dealer an amount of commission for effecting a transaction for your account in excess of the amount of commission another broker or dealer would have charged for effecting that transaction if we determine in good faith that the amount of commission is reasonable in relation to the value of the brokerage and research services provided by the broker or dealer, viewed in terms of either the particular transaction or our overall responsibilities with respect to the accounts we exercise investment discretion. This method of receiving research services will only utilize the commissions charged on agency transactions. On occasion, the services may not be used in connection with the management of some of the accounts which paid commissions to the broker or dealer providing the services and may be used in connection with the management of other accounts.

Receipt by us of brokerage and research services may sometimes be a factor in selecting a broker or dealer where we believe that the broker or dealer will provide quality execution of the transactions at competitive commission rates. The brokerage and research services which may be a factor in selection include, without limitation, a wide variety of reports, charts, publications, subscriptions, quotation services, news services, investment related hardware and software, and data on such matters as economic and political developments, industries, companies, securities, portfolio strategy, account performance, credit analysis, stock and bond market conditions and projections, asset allocation, portfolio structure, economic forecasts, investment strategy advice, fundamental and technical advice on individual securities, valuation advice, market analysis, advice as to the availability of securities or purchasers or sellers of securities, and meetings with management representatives of issuers and other analysts or specialists.

We do not have any formal agreement or understanding with a broker or dealer which might be construed by the broker or dealer as a fixed dollar commitment in return for research services. Red Rocks currently does not use soft dollars to purchase research data or analytical software in support of managing its investment process.

When Our Clients Direct Brokerage

You may make your own arrangements with a broker or dealer pursuant to a commission recapture program or other program. Clients who make such arrangements may receive cash rebates, products, services, expense payments or expense reimbursements from the broker or dealer based on commissions generated when we place trades for your

account. In connection with these programs, you may direct us to effect some or all transactions for your account through a specific broker or dealer.

Under such circumstances, we may not negotiate brokerage commissions with respect to transactions executed by that broker or dealer for your account. Rather, you and the specific broker or dealer may agree on the commission that the specific broker or dealer will charge for transactions effected for the account. As a result, and depending upon (a) your arrangement with the specific broker or dealer (if applicable), (b) such factors as the number of securities, instruments or obligations being bought or sold for you, whether round or odd lots are being acquired for you and the market for the security, instrument or obligation, and (c) the fact that you may be forgoing any benefit from savings on execution costs that we could obtain as a result of negotiating commissions or “bunching” transactions, you may pay higher commissions than those paid by clients who have not directed us to execute transactions through a specific broker or dealer and may not receive the best available price with respect to certain transactions effected for your account. For these and other reasons, you may not receive best execution on transactions effected through the specified broker or dealer.

In agreeing to satisfy your directions to execute transactions for your account through designated brokers or dealers, we understand that it is your responsibility to ensure that (i) all services provided by the brokers or dealers will inure solely to the benefit of your account and any beneficiaries of the account, are proper and permissible expenses of the account and may properly be provided in consideration for brokerage commissions or other remuneration paid to the brokers or dealers, (ii) using the brokers or dealers in the manner directed is in the best interests of your account and any beneficiaries of the account, taking into consideration the services provided by the brokers or dealers, (iii) its directions will not conflict with any obligations that persons acting for your account may have to the account, its beneficiaries or any third parties, including any fiduciary obligations that persons acting for the account may have to obtain the most favorable price and execution for the account and its beneficiaries and (iv) persons acting for your account have the requisite power and authority to provide the directions on behalf of the account and have obtained all consents, approvals or authorizations from any beneficiaries of the account and third parties that may be required under applicable law or instruments governing the account.

Recommending Brokers to You

Generally, we do not recommend brokers or dealers to you (apart from choosing the broker or dealer where we have discretion to do so, as described above). However when requested by you, we may recommend or suggest one or more brokers or dealers to you.

Brokerage for Client Referrals

We do not receive client referrals from a broker-dealer or third party; therefore, there is no incentive to select or recommend a broker-dealer based on the firm interest in receiving client referrals.

Item 13 Review of Accounts

We review your portfolio on a daily basis regarding such items as compliance-related matters, recent news, allocations within a portfolio, fundamental valuation and/or any other macro/micro items that could potentially impact price movement.

The reviews are performed on a collective basis and include all accounts. Any concerns or issues are noted and escalated accordingly.

We conduct portfolio reviews on a quarterly basis unless requested otherwise and reports are customized based on the requests of the client. Generally, the reports include performance data, compliance updates, operational updates, personnel updates, etc.

Item 14 Client Referral and Other Compensation

Red Rocks does not currently have any active solicitation or referral arrangements in place.

Item 15 Custody

All client account assets are held by a qualified custodian. Red Rocks periodically reviews clients' custody relationships to ascertain their effectiveness, responsiveness and costs. Red Rocks, however, is not responsible for the actions of a client's custodian.

Clients should carefully review account statements received directly from the qualified custodian. We also urge you to compare the account statement you receive from your qualified custodian with the statements provided by us.

Item 16 Investment Discretion

Pursuant to written advisory agreements, our clients generally grant us the authority to supervise and direct on an ongoing basis your investments in accordance with your predetermined investment objectives and guidelines. Under the terms of such agreements, we are authorized, in our discretion and without prior consultation with you to: (1) buy, sell, exchange and otherwise trade any stocks, bonds or other securities or assets; (2) determine the amount of securities to be bought or sold; and (3) place orders with the custodian.

Our authority can be subject to restrictions imposed by certain federal securities laws or other federal or state regulations. In addition to investment limitations imposed by such applicable regulations, certain investment companies, collective investment trusts, commingled funds, and separately managed accounts may establish certain restrictions on the types and quantities of securities that we can purchased. Any limitations to our authority will be communicated by you to Red Rocks in writing.

Item 17 Voting Client Securities

Red Rocks exercises voting authority with respect to your securities. In addition, an investment adviser to ERISA accounts has an affirmative obligation to vote proxies for an ERISA account, unless the client expressly retains proxy voting authority. We have adopted written proxy voting policies and procedures. To facilitate our proxy responsibilities, we have contracted with Institutional Shareholder Services (“ISS”) to vote all proxies on our behalf. Red Rocks generally follows recommendations made by ISS. Prior to any proxy vote, such recommendations are reviewed by one of our portfolio managers, with the reasons for any votes that are contrary to ISS recommendations being documented. You have the option to vote your proxies. Upon receipt of a request for more information, we will provide you with a copy of the proxy policy and/or how we voted proxies for you pursuant to this policy. It is our policy not to disclose how we voted your proxy to third parties.

Item 18 Financial Information

This item is not applicable to this brochure. We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for our most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, we have not been the subject of a bankruptcy petition at any time.