



ClearArc Capital, Inc.

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This brochure provides information about the qualifications and business practices of ClearArc Capital, Inc. Please contact our Chief Compliance Officer at 855.362.2227 if you have any questions about this brochure. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. ClearArc Capital, Inc. is a registered investment adviser. Registration does not imply any level of skill or training. Additional information about ClearArc Capital, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

ITEM 2 - MATERIAL CHANGES

Set forth below are the material changes to ClearArc Capital, Inc.'s brochure that occurred since the March 30, 2018 annual update, including the updates as of September 26, 2018 and December 21, 2018.

- a. Item 4.A. – This item was updated to include information on discontinued strategies and operations as well as closure of the office in Grand Rapids, Michigan.
- b. Item 4.C. – This item was updated to eliminate the Visioning and Leadership Management Committees and provide changes to the Board of Directors.
- c. Item 4.D. – This item was updated to reflect elimination of the equity investing team and remove references to the sub-advised mutual fund and model programs that were also eliminated.
- d. Item 4.E. – This item was updated to reflect the firm's assets under management (AUM) and number of accounts as of December 31, 2018.
- e. Item 5.A. – This item was updated to remove reference to the call writing strategy that was discontinued.
- f. Items 5.B. and 8.A. – These items were updated to add the Intermediate Government/Credit Fixed Income Strategy and to reflect a name change from the Equity Index SRI to the Large Cap Equity Index SRI strategy. These items were also updated (September 26, 2018) to delete the following discontinued investment strategies: Dividend Growth, Dividend Growth Premium Income, Dividend Growth Premium Income Plus, Strategic Income Plus, Strategic Income Plus SRI, Core Plus Fixed Income, Core Plus Fixed Income SRI, GlobalFlex ETF and Preferred Securities SMA.
- g. Item 5.F. – This item referencing the eliminated model programs was removed.
- h. Item 7.B. and 7.C. – These items referencing the discontinued sub-advised mutual fund and eliminated model programs were removed.
- i. Item 8.A. – This item was updated to reflect the following strategies were discontinued and deleted (September 26, 2018): Dividend Growth, Dividend Growth Premium Income, Dividend Growth Premium Income Plus, Strategic Income Plus, Strategic Income Plus SRI, Core Plus Fixed Income, Core Plus Fixed Income SRI, GlobalFlex ETF and Preferred Securities SMA.
- j. Item 8.B. – This item was updated to eliminate the types of investments used solely in the investment strategies being discontinued.
- k. Item 10.C and Item 10.D – These items were added to include The Retirement Corporation of America and Franklin Street Advisors as affiliated entities.
- l. Item 12.E. – This item was updated to reflect that the firm does not participate in IPOs.
- m. Other Disclosures C. – This item was updated to include GIPS verification through 2017.

Note: In addition to specifically disclosed above, any references to eliminated programs, funds, strategies, etc., were removed throughout the document.

We may, at any time, update this brochure and either send you, or offer to send you, a copy either by email or in hard copy form.

If you would like another copy of this brochure, please download it from the SEC website as indicated on the first page of this brochure, or you may contact our Chief Compliance Officer at 855.362.2227 or email at Compliance@ClearArcCapital.com.

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ITEM 4 - ADVISORY BUSINESS

A. Firm History

ClearArc Capital, Inc. traces its origins to Investment Strategies, Inc., a Cleveland-based investment firm, which was founded in 1975. In 1992, Investment Strategies, Inc. changed its name to Maxus Asset Management, Inc. In connection with the acquisition of the parent company of Maxus Asset Management, Inc. by Fifth Third Bank in January 2001, the firm's name was changed to Fifth Third/Maxus Asset Management. On April 2, 2001, Fifth Third Bank acquired Old Kent Financial Corporation which owned Lyon Street Asset Management Company. On April 30, 2001, the firm's name was changed to Fifth Third Asset Management, Inc. As a result of the acquisitions in 2001, certain investment professionals and accounts from both firms were incorporated into the firm. In 2003, the firm acquired certain accounts from, and investment professionals associated with, Paladin Investment Associates, LLC, a Minneapolis-based money management firm.

During the third quarter of 2012, the firm sold the right to advise the Fifth Third Funds, which resulted in a decrease in assets under management of approximately \$5 billion. Effective February 1, 2013, the firm sold certain accounts, primarily involving its growth and value strategies, to Foundry Partners, LLC, ("Foundry") a registered investment adviser comprised of former senior leaders and investment teams. The transaction resulted in an approximately \$1.1 billion decrease in the firm's assets under management. ClearArc Capital and Foundry have entered into ongoing business arrangements. ClearArc Capital received recurring compensation from Foundry over a three-year period (ended February 1, 2016) related to certain accounts and assets involved in the acquisition. Similarly, ClearArc Capital will compensate Foundry for client relationships sourced or originated by one or more of Foundry's principals prior to February 1, 2013. Through July 2016, Foundry was also compensated for equity model portfolios offered by Foundry that ClearArc Capital used to provide discretionary management to certain clients. The two entities have entered into reciprocal solicitation arrangements whereby each party can compensate the other for client referrals. ClearArc Capital is not affiliated with Foundry.

On December 10, 2013, Fifth Third Asset Management, Inc. changed its name to ClearArc Capital, Inc. The name captures the clarity of the firm's vision in providing institutional clients with transparent investment strategies to help reach their financial goals.

In September 2018, ClearArc Capital began notifying clients that the firm will discontinue to offer investment advisory services using the following investment strategies: Dividend Growth, Dividend Growth Premium Income, Dividend Growth Premium Income Plus, Strategic Income Plus, Strategic Income Plus SRI, Core Plus Fixed Income, Core Plus Fixed Income SRI, GlobalFlex ETF and Preferred Securities SMA. Additionally, the firm liquidated (as of October 31, 2018) and closed the five StoneRoad Series of private funds, resigned as sub-adviser to the Touchstone Flexible Income Fund, a registered mutual fund, and discontinued providing the UMA models. ClearArc Capital is headquartered in Cincinnati, Ohio.

B. Ownership

ClearArc Capital is a corporation and a wholly owned subsidiary of Fifth Third Bank.

C. Management

ClearArc Capital's daily business is run by its management team. The firm's Board of Directors includes the President and Chief Investment Officer and four other Fifth Third Bank employees. Day-to-day operations and investment activities are led by the President and Chief Investment Officer. The firm has one executive committee, the Investment

Management Committee, comprised of senior investment professionals and other senior business leaders, that performs investment oversight and sets investment policy, reviews strategies, monitors performance, and performs risk monitoring.

D. Advisory Services

ClearArc Capital's primary business activities consist of the discretionary management of client assets. The firm's fixed income investment team provides discretionary and non-discretionary asset management based on specific client investment mandates. Clients within each investment strategy share similar investment objectives. Additionally, the firm offers a passive equity index product.

ClearArc Capital's primary clients include charitable organizations, not-for-profit organizations, corporations, insurance companies, governmental plans and municipalities, trusts and high net worth individuals, pension and profit-sharing plans, banks, and pooled investment vehicles.

ClearArc Capital manages to specific client investment mandates, which can include investment, security, and/or trading restrictions. The firm can impose minimum account size restrictions.

E. Assets Under Management

As of December 31, 2018 ClearArc Capital had the following assets and number of accounts under management.

	U.S. Dollar Amount	Number of Accounts
Discretionary	\$3,891,452,305	116
Non-Discretionary	\$0	0
Total	\$3,891,452,305	116

Regulatory assets under management (AUM) are calculated consistent with the methodologies applied in Form ADV, Part 1. ClearArc Capital defines "discretionary" as all accounts over which it has investment management and trading authority and is able to implement its strategy. Non-discretionary accounts would include those for which ClearArc Capital has been given conditional trading authority and/or material investment strategy restrictions. In some cases, the firm can report its assets under advisement which includes discretionary and non-discretionary assets under management.

ITEM 5 - FEES AND COMPENSATION

A. Methods of Compensation

ClearArc Capital is mainly compensated for its investment management services based on a percentage of assets under management. The firm does not receive any direct transaction-related fees or compensation. ClearArc Capital can negotiate fees for its investment management services based upon the nature and value of services rendered.

ClearArc Capital, in its sole discretion and without notice to other clients, can waive or discount the fees charged in whole or in part from time to time with respect to any client. It is anticipated that ClearArc Capital will waive or discount fees with respect to accounts held by ClearArc Capital, Fifth Third Bank, and their respective affiliates, and for clients who are also employees or family members thereof.

B. Fee Schedules

The following table represents ClearArc Capital's fee schedules for separately managed accounts invested in its most actively marketed investment strategies. Minimum Account Sizes and Minimum Fees will vary for investors in commingled funds managed according to the same strategies. Fees are based on levels of service provided (e.g., advisory vs. sub-advisory), investment strategy, and account size (AUM).

Investment Strategy	Fee Description	Minimum Fee	Minimum Account Size
Large Cap Equity Index SRI	0.15% on the first \$50 million of AUM 0.10% thereafter	\$20,000	\$15,000,000
Core Fixed Income	0.30% on the first \$25 million of AUM 0.20% on the next \$25 million of AUM 0.10% thereafter	\$20,000	\$10,000,000
Intermediate Government	0.25% on the first \$25 million of AUM 0.20% on the next \$25 million of AUM 0.10% thereafter	\$20,000	\$5,000,000
Intermediate Government/Credit Fixed Income	0.30% on the first \$25 million of AUM 0.20% on the next \$25 million of AUM 0.10% thereafter	\$20,000	\$10,000,000
1-3 Year Government LAM	0.20% on the first \$25 million of AUM 0.15% on the next \$25 million of AUM 0.10% thereafter	\$7,500	\$5,000,000
1-3 Year Government / Corporate LAM	0.20% on the first \$25 million of AUM 0.15% on the next \$25 million of AUM 0.10% thereafter	\$20,000	\$10,000,000
Short Term Maturity LAM	0.20% on the first \$25 million of AUM 0.15% on the next \$25 million of AUM 0.10% thereafter	\$7,500	\$5,000,000

C. Methods and Timing of Fee Calculations

ClearArc Capital's standard investment management fees are payable and collected in arrears typically based upon the market value of assets under management at quarter end. Fees are generally prorated for withdrawals and/or contributions within an account during the fee period. ClearArc Capital invoices clients on a monthly or quarterly basis. Clients may be billed directly for the fees, or the client can elect to have their fees invoiced and debited from their custodial account. In the latter case, ClearArc Capital will coordinate with the client's custodian for fees as invoiced to be debited by the custodian from the client's account and remitted directly to ClearArc Capital.

When available, ClearArc Capital uses readily available market prices and/or independent pricing sources to value client assets. When market prices are not readily available, ClearArc Capital provides fair valuations. Because this presents a potential conflict of interest, ClearArc Capital has developed policies and internal pricing controls designed to ensure that valuations represent market prices or fair valuations based on what it reasonably expects to realize upon a current sale.

ClearArc Capital's investment management services are terminable by either party upon written notification in accordance with applicable contractual notice provisions. Upon termination, fees will be prorated based on the number of days under management during the period.

D. Other Fees and Expenses

In addition to ClearArc Capital's investment management fees, clients can incur one or more other fees including advisory fees paid to other investment managers, custody fees, trading costs, and/or trust fees. These fees may be paid to the firm's affiliates (e.g., Fifth Third Bank); ClearArc Capital does not receive any compensation from these additional fee arrangements. See Item 10 for more information regarding arrangements with affiliates.

Additionally, clients could incur brokerage commissions and other transaction charges. ClearArc Capital is not compensated through these charges. However, ClearArc Capital utilizes soft dollar arrangements to purchase eligible brokerage and research services. See Item 12.B. for more information regarding ClearArc Capital's brokerage and soft dollar arrangements.

When deemed to be in a client's best interest, ClearArc Capital invests a portion of the client's assets in mutual funds and/or exchange-traded funds (ETFs) or other commingled fund vehicles. When doing so, the client will pay additional investment management and other fund-related fees such as accounting, transfer agency, custodial, and other fees.

E. Other Compensation

ClearArc Capital affiliates also receive asset-based or other fees for services they provide to certain ClearArc Capital institutional clients. These arrangements are separate and distinct from ClearArc Capital's investment management services.

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

A. Performance-Based Fees

ClearArc Capital does not have any performance-based fee arrangements, although it reserves the right to enter into such arrangements. Under this kind of fee arrangement, the firm's fees would be based completely or in part on the performance of the account it manages. Only "qualified clients," as defined by applicable rules, are eligible for performance-based fees.

B. Side-By-Side Management

ClearArc Capital advises or sub-advises (1) institutional separate accounts, (2) common and collective funds, and (3) other accounts managed by Fifth Third Bank. ClearArc Capital seeks to ensure that all clients are treated fairly and equitably over time regardless of the type of client, level of services provided, or the nature of its fee compensation.

ITEM 7 - TYPES OF CLIENTS

ClearArc Capital provides discretionary and non-discretionary investment management with respect to multiple clients.

A. Institutional Clients

ClearArc Capital's institutional clients include charitable organizations; not-for-profit organizations; corporations; insurance companies; governmental plans and municipalities; trusts and high net worth clients; pension and profit-sharing plans; banks; and pooled investment vehicles.

ClearArc Capital's institutional business includes direct advisory relationships and sub-advised arrangements administered by Fifth Third Bank or other financial institutions. Upon request, the firm can provide a list of its institutional clients who have authorized us to share this information.

B. Minimum Account Size

ClearArc Capital maintains targeted minimum account requirements for each institutional investment strategy. Accounts valued at less than the stated minimum can be accepted, according to terms negotiated between ClearArc Capital and the client. See Item 5.B. for minimum account standards prescribed for each investment strategy.

ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS

A. Methods of Analysis and Investment Risks

ClearArc Capital offers standard investment strategies as well as customized portfolios. Methods of analysis and investment risks are presented for the firm's standard, most actively marketed investment strategies. Investment details for non-marketed strategies and customized portfolios are available upon request.

Investment Strategies	Methods of Analysis	Investment Risks*
Large Cap Equity Index SRI	<ul style="list-style-type: none"> Objective: Seeks long-term capital appreciation by investing in companies within the S&P 500® Index while excluding certain companies flagged in our customized socially responsible screening process. Index enhancement with SRI research screen overlay. Restricted dollars reinvested across portfolio. Maintain exposure across sectors. Cash balances minimized. Strategic trading around effective date of index and SRI screen changes. Benchmark: S&P 500® Index. 	<ul style="list-style-type: none"> Equity securities risk Large company risk Index investing risk Market and regulatory risk Liquidity risk SRI Screening risk
Core Fixed Income	<ul style="list-style-type: none"> Objective: A high-quality portfolio designed to outperform similarly managed portfolios and the benchmark. Combines fundamental work with qualitative measures. Add value utilizing four primary tools: security selection, sector rotation, yield curve structure, and duration risk management. Buy fixed income securities that correspond to our target duration, in order to manage price volatility. Buy fixed income securities that are available in sectors we believe offer the greatest growth potential. Benchmark: Bloomberg Barclays U.S. Aggregate Index. 	<ul style="list-style-type: none"> Credit risk Fixed income securities risk Foreign investment risk Interest rate risk Investment discretion risk Market and regulatory risk Pre-payment/call risk Liquidity risk SRI Screening risk
Intermediate Government	<ul style="list-style-type: none"> Objective: A high-quality portfolio managed to outperform similarly managed portfolios and the benchmark. Combines fundamental work with qualitative measures. Add value utilizing four primary tools: security selection, sector rotation, yield curve structure, and duration risk management. Benchmark: Bloomberg Barclays U.S. Intermediate 	<ul style="list-style-type: none"> Credit risk Fixed income securities risk Interest rate risk Investment discretion risk Market and regulatory risk Pre-payment/call risk Liquidity risk Foreign investment risk

Investment Strategies	Methods of Analysis	Investment Risks*
	Government Index.	
Intermediate Government/ Credit Fixed Income	<ul style="list-style-type: none"> • Objective: A high-quality portfolio structured to achieve excess return relative to the benchmark. • Combines fundamental work with qualitative measures. • Add value utilizing four primary tools: security selection, sector rotation, yield curve structure, and duration risk management. • Buy fixed income securities that correspond to our target duration, in order to manage price volatility. • Buy fixed income securities that are available in sectors we believe offer the greatest growth potential. • Benchmark: Bloomberg Barclays U.S. Intermediate Government/Credit Index. 	<ul style="list-style-type: none"> • Credit risk • Fixed income securities risk • Foreign investment risk • Interest rate risk • Investment discretion risk • Market and regulatory risk • Pre-payment/call risk • Liquidity risk • SRI Screening risk
1-3 Year Government LAM	<ul style="list-style-type: none"> • Objective: Outperform the benchmark over a market cycle while maintaining a risk profile similar to that of the index. • Combines fundamental work with qualitative measures. • Add value utilizing four primary tools: security selection, sector rotation, yield curve structure, and duration risk management. • Benchmark: ICE BofAML 1-3 Year US Treasury & Agency Index. 	<ul style="list-style-type: none"> • Credit risk • Fixed income securities risk • Interest rate risk • Investment discretion risk • Market and regulatory risk • Pre-payment/call risk • Liquidity risk • Foreign investment risk
1-3 Year Government/ Corporate LAM	<ul style="list-style-type: none"> • Objective: Outperform the benchmark over a market cycle while maintaining a risk profile similar to that of the index. • Combines fundamental work with qualitative measures. • Add value utilizing four primary tools: security selection, sector rotation, yield curve structure, and duration risk management. • Benchmark: ICE BofAML 1-3 Year US Corporate & Government Index. 	<ul style="list-style-type: none"> • Credit risk • Fixed income securities risk • Interest rate risk • Investment discretion risk • Market and regulatory risk • Pre-payment/call risk • Liquidity risk • Foreign investment risk
Short Term Maturity LAM	<ul style="list-style-type: none"> • Objective: Outperform the benchmark over a market cycle while maintaining a risk profile similar to that of the index. • Combines research and portfolio management disciplines. • Seek to generate yield in excess of traditional money market products through a slightly longer duration exposure. • Benchmark: ICE BofAML 0-1 Year US Treasury Index. 	<ul style="list-style-type: none"> • Credit risk • Fixed income securities risk • Interest rate risk • Investment discretion risk • Market and regulatory risk • Pre-payment/call risk • Liquidity risk • Foreign investment risk

* Additional information regarding specific investment risks is available upon request.

Risk of Loss

All investing involves a risk of loss. **ClearArc Capital cannot give any guarantee that it will achieve client investment objectives or that a client will receive a return on its investment.** All investments are subject to market risk, including the risk that you will lose all or a material amount of the value of your investment. Further, certain specific market factors can increase the degree of market risk attendant to any particular strategy, or present during any scenario, including, without limitation, such factors as directional price movements, deviations from historical pricing relationships, changes in the regulatory environment, and changes in market volatility. Client accounts can be subject to sudden and dramatic losses and/or performance volatility as a result of such market or other unforeseeable events. The types and magnitude of losses associated with market risks cannot be predicted.

B. Types of Investments

Through the application of the investment strategies described above, ClearArc Capital typically invests in the following instruments:

Equity securities	Exchange traded futures contracts
Private placements and restricted securities (144A and Reg S securities)	Mortgage-related and other asset-backed securities
U.S. Government securities	Collateralized debt obligations
Corporate debt securities	Collateralized mortgage obligations
Commercial paper	Foreign debt
Preferred securities	Participation notes
Convertible bonds	Investment company securities, including open-end and closed-end funds and exchange traded funds (ETFs)
Certificates of deposit	Real estate investment trusts (REITs)
Municipal securities	Securities of foreign issuers (including ADRs)

ClearArc Capital can invest in other security types including new investment products. The firm maintains internal controls to screen and monitor investments in new security types to ensure risks are properly mitigated and to verify that these investments are appropriate for specific client investment mandates.

In certain strategies and from time to time, the firm engages in frequent trading. This trading activity can result in higher brokerage and other transaction costs, have tax implications, and lower performance results due to increased brokerage costs.

C. Sources of Investment Information

Sources of information used by portfolio managers in the investment decision-making process include:

Meetings with company management	Meetings with brokers and securities analysts
Company press releases	Annual reports
Third-party research	Regulatory filings
Optimization studies and reports	Financial publications
Trade journals and services	Government publications

All investments include the potential loss of the principal amount invested and unrealized profits. ClearArc Capital employs risk-based investment approaches focused on risk/return principles. The firm does not guarantee any performance results or ensure that clients will not incur a financial loss. Accordingly, clients should be prepared to bear such losses. Past performance is not an indication or guarantee of future performance.

D. Allocation of Investment Opportunities

Due to the fact that ClearArc Capital manages several accounts in multiple strategies, a potential conflict of interest can arise with regard to the allocation of investment opportunities. An investment opportunity may not be available in sufficient quantities for all eligible accounts to fully participate. Similarly, there can be limited opportunity to sell an investment held by multiple clients. ClearArc Capital has trade allocation/aggregation policies and procedures with internal controls reasonably designed to allocate investment opportunities across client accounts on a fair and equitable basis over time.

ITEM 9 - DISCIPLINARY INFORMATION

Neither ClearArc Capital nor any of its management persons have been involved in any material legal or disciplinary events.

ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**A. Fifth Third Bank Affiliation**

Fifth Third Bank is a diversified financial services company with four main businesses: Commercial Banking, Branch Banking, Consumer Lending, and Wealth and Asset Management. ClearArc Capital's affiliates, including Fifth Third Securities, Inc., Fifth Third Insurance Agency, Inc., The Retirement Corporation of America and Franklin Street Advisors, Inc. provide an array of financial products and services to clients. Although ClearArc Capital attempts to operate independently from Fifth Third Bank and its affiliates, these affiliations, particularly within Fifth Third Bank's Wealth and Asset Management division, create potential conflicts of interest. At the client's discretion, Fifth Third Bank can act as the trustee or custodian for certain ClearArc Capital client accounts and receive fees or other compensation for providing custody, investment management, and related services. Fifth Third Bank's Wealth and Asset Management division has hired ClearArc Capital to sub-advise a significant number of client assets and accounts.

ClearArc Capital employees can also be dual employees of Fifth Third Bank. Certain employees will be involved in the investment decision making, trading processes, and/or administration for accounts managed by Fifth Third's Wealth and Asset Management division. ClearArc Capital has implemented controls to address the supervision of its dual employees and to reasonably ensure compliance with client investment guidelines and applicable regulatory requirements. Generally, taken in the aggregate, the firm's employees focus their attention on ClearArc Capital's investment management activities.

ClearArc Capital personnel can provide research and investment support to Fifth Third Bank personnel, Fifth Third Securities, and other affiliates. ClearArc Capital can also receive investment research and advice from its affiliates. In some instances, ClearArc Capital and Fifth Third Bank have shared arrangements with investment research vendors. More information regarding these arrangements is available in Item 12.B.

Furthermore, ClearArc Capital has common management, officers, or directors with some of its affiliates. ClearArc Capital shares facilities with Fifth Third Bank and relies on Fifth Third Bank for administrative support, including information technology, human resources, business continuity, legal, finance, compliance, enterprise risk management, and internal audit. ClearArc Capital and its affiliates use the same technology which involves the sharing of certain client information across the organization.

B. Fifth Third Securities

Fifth Third Securities, Inc. (FTS) is a registered broker/dealer, FINRA member, and a direct wholly-owned subsidiary of Fifth Third Bank. FTS is also an investment adviser registered with the U.S. Securities and Exchange Commission under the Investment Advisers Act of 1940. ClearArc Capital operates independently from FTS, although the two entities share certain resources, such as technology applications. FTS is the sponsor for the Passageway wrap program. ClearArc Capital generally does not trade with FTS for its institutional accounts but can do so if instructed by a client or in circumstances in which the transaction is deemed to be in the client's best interest and complies with applicable regulatory requirements.

C. The Retirement Corporation of America

The Retirement Corporation of America (RCA) is also a direct wholly-owned subsidiary of Fifth Third Bank and an investment adviser registered with the U.S. Securities and Exchange Commission under the Investment Advisers Act of 1940. ClearArc Capital operates independently from RCA, although the two entities share certain resources, such as technology applications and compliance oversight. The Chief Compliance Officer for ClearArc Capital also serves as the Chief Compliance Officer for RCA.

D. Franklin Street Advisors

Franklin Street Advisors, Inc. (FSA) is also an indirect wholly-owned subsidiary of Fifth Third Bank and an investment adviser registered with the U.S. Securities and Exchange Commission under the Investment Advisers Act of 1940. ClearArc Capital operates independently from FSA, although the two entities share certain resources, such as technology applications and compliance oversight. The Chief Compliance Officer for ClearArc Capital also serves as the Chief Compliance Officer for FSA.

E. Other Industry Affiliations

ClearArc Capital can be retained as an investment adviser or sub-adviser by other financial services organizations. These relationships can present potential conflicts of interest. ClearArc Capital seeks to treat all clients fairly and equitably over time regardless of the type of client, level of services provided, or the nature of its fee compensation.

ITEM 11 - CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS, AND PERSONAL TRADING**A. ClearArc Capital's Code of Ethics**

ClearArc Capital has adopted a code of ethics that sets forth standards of business conduct, requires compliance with regulatory and fiduciary obligations, governs employees' personal trading activities, and provides for monitoring of certain other personal activities. The firm also has policies prohibiting employees from accepting excessive gifts and entertainment. The provisions of the code are intended to avoid or mitigate material conflicts of interest that can arise between employees' personal conduct and the fiduciary duty to our clients. Clients may obtain a copy of ClearArc Capital's code of ethics by providing an email request to Compliance@ClearArcCapital.com or sending a written request to:

ClearArc Capital, Inc.
580 Walnut Street, MD10GA6D
Cincinnati, OH 45263
Attention: Chief Compliance Officer

Employees serve in various roles for public or private companies, including entities for which ClearArc Capital (1) provides investment management or (2) acquires investment products or research services. These arrangements create potential conflicts of interest, including the potential to trade on material, non-public information. The firm monitors these activities to mitigate potential conflicts of interest.

B. Securities Transactions for Which ClearArc Capital and/or Its Related Persons Have a Financial Interest

ClearArc Capital sub-advises client accounts administered by Fifth Third Bank. Generally, neither ClearArc Capital nor Fifth Third Bank has any direct financial interest in these accounts. Fifth Third Bank, however, receives investment management and other service fees. The firm does not provide these sub-advised accounts with any preferential investment management or trading opportunities.

ClearArc Capital and its affiliates provide a variety of services and/or render advice to various clients, including some clients that can be regarded as related accounts. ClearArc Capital attempts to manage and trade all accounts equitably over time with no preferential treatment given to potentially related accounts.

Generally speaking, ClearArc Capital does not engage in any principal trading or trading with affiliates. Clients can direct ClearArc Capital to trade through a specified broker/dealer, including FTS. The firm requires such instructions to be in writing and the client is made aware of potential consequences of this arrangement. See Item 12.D. for more information regarding directed brokerage arrangements.

C. ClearArc Capital Employees' Personal Securities Trading Activities

ClearArc Capital employees buy or sell the same securities for their personal accounts as the firm purchases or sells on behalf of its clients. To mitigate potential conflicts of interest, the firm's code of ethics imposes trading restrictions on an employee's ability to trade in securities that are in the process of being traded for client accounts. Employees are required to pre-clear reportable securities transactions, submit quarterly transaction reports, and submit annual holdings reports. The firm collects, retains, and monitors employee personal securities transactions.

ClearArc Capital and its affiliates provide a variety of services to various clients, including issuers of securities. In the course of providing these services and through other investment research, the firm and its affiliates may come into possession of material, non-public information that might affect its ability to buy, sell, or hold a particular security. Possible sources of inside information include: trading activities performed by ClearArc Capital or its affiliates; underwritings and securities offerings; meetings with company management; meetings with investment analysts; access to information related to brokers' advisory services or investment banking activity; relationships with company insiders; and access to various securities positions and trading activity.

ITEM 12 - BROKERAGE PRACTICES

A. Broker/Dealer Selection

For accounts over which ClearArc Capital has discretionary authority, it is authorized to determine, without specific client consent, the broker/dealer used for placing trades. ClearArc Capital's discretionary authority over the account can be subject to guidelines and limitations imposed by the client. Such limitations can include requiring the firm to use a particular broker/dealer, to seek specific commission rates or dealer spreads, and/or other guidelines or restrictions in various areas, including, but not limited to, investments in particular companies, industries, geographies, security types, or asset classes, etc.

ClearArc Capital's objective in selecting broker/dealers and in effecting portfolio transactions is to seek the best combination of price and execution with respect to its clients' portfolio transactions. The best net price, giving consideration to brokerage commissions, spreads and other costs, is an important factor in this decision, but a number of other factors are also considered. These factors include, but are not limited to: (1) ClearArc Capital's knowledge of negotiated commission rates and spreads currently available; (2) the nature of the security to be traded; (3) the size and type of transaction; (4) the nature and character of the markets for the security to be purchased or sold; (5) the desired timing of the trade; (6) the activity existing and expected in the market for the particular security; (7) confidentiality and anonymity; (8) execution; (9) clearance and settlement capabilities as well as the broker/dealer's reputation and perceived financial soundness; (10) ClearArc Capital's knowledge of the broker/dealer's operational capacity; (11) the broker/dealer's execution services rendered on a continuing basis and in other transactions; and (12) the reasonableness of spreads or commissions. To the extent that the executing broker provides research services, ClearArc Capital also considers the quality and usefulness of these services. The relationships with brokerage firms that provide soft dollar research services to ClearArc Capital could influence its judgment in allocating brokerage business and create a conflict of interest. ClearArc Capital also places trades with brokers who generate proprietary research, including buy and sell recommendations on individual securities, if these broker arrangements satisfy the firm's best execution standards.

ClearArc Capital has procedures in place for monitoring best execution for equity trades. While ClearArc Capital does not have a set commission rate, commissions typically range from \$.01 to .03 per share for execution-only transactions, up to \$.04 per share for the purpose of obtaining brokerage and research services. ClearArc Capital routinely reviews commission rates, execution, and settlement services by various broker/dealers in order to determine their competitiveness.

Fixed income portfolio managers execute their own trades with a focus on meeting best execution requirements. They often utilize Bloomberg, MarketAxess, and TradeWeb as references in determining best execution. Evaluation of best execution in the secondary market is generally based on comparison of bond structures, state-specific versus national municipal offerings, amount of bonds available, yield, overall impact on portfolio performance, etc. Fixed income strategies often rely on broker/dealers that offer expertise in specific securities or sectors of the market. Fixed income portfolio managers also often base their broker selection on broker inventory and level of service received.

B. Soft Dollar Arrangements

When appropriate under its discretionary authority and consistent with its duty to seek best execution, ClearArc Capital directs trades for client accounts to brokers who provide the firm with brokerage and research services. The client commissions used to acquire brokerage and research services are known as "soft dollars." ClearArc Capital seeks to comply with Section 28(e) of the Securities Exchange Act of 1934, which provides a "safe harbor" allowing an investment adviser to pay more than the lowest available commission for brokerage and research services if it determines in good faith that: (1) the brokerage and research services fall within the definitions set forth in Section 28(e); (2) the brokerage and research services provide lawful and appropriate assistance in the investment decision-making process; and (3) the commission paid is reasonable in relation to the brokerage and research services provided. The use of client commissions to pay for research and brokerage services presents ClearArc Capital with conflicts of interest because (1) it receives a benefit that it does not have to pay for from its resources, and (2) ClearArc Capital can be incented to select brokers based on receiving brokerage and research services rather than receiving the most favorable execution. To assist with managing soft dollars, the firm can enter into commission sharing arrangements. For transactions that occur pursuant to these agreements, the firm will allocate a portion of its clients' commissions for trade execution services and a portion for research services.

The receipt of brokerage and research services in exchange for soft dollars benefits ClearArc Capital by allowing it to supplement its own research and analysis activities, to receive the views and information from research experts, and to gain access to persons having special expertise on certain companies, industries, areas of the economy, and market factors. Such brokerage and research services are made available to ClearArc Capital in connection with its investment decision-making responsibilities and they enhance the firm's capability to discharge those responsibilities. These products and services are useful for ClearArc Capital's investment decision-making and generally benefit all client accounts. The firm performs an ongoing evaluation of soft dollar arrangements; this ongoing evaluation focuses on the quality and quantity of brokerage and research services provided by brokerage firms and whether the commissions paid for such services are fair and reasonable. Brokerage and research services acquired with soft dollars include, but are not limited to: written and oral reports on the economy, industries, sectors and individual companies or issuers; appraisals and analysis relating to markets and economic factors; statistical information; accounting and tax considerations; political analyses; reports on legal developments affecting portfolio securities; information on technical market actions; credit analyses; on-line quotations, trading techniques, and other trading systems; risk measurement; analyses of corporate responsibility issues; research related on-line news services; seminars; on-site visits; asset allocation software; pricing; indices data; and financial and market database services.

Determination and evaluation of the reasonableness of the brokerage commissions paid are based primarily on the professional opinions of the persons responsible for the placement and review of such transactions. These opinions are formed on the basis of, among other things, the individual's experience in the securities industry and information available concerning the level of commissions paid by other investors of comparable size and type for transactions similar to the transactions effected utilizing soft dollars. ClearArc Capital selects brokers based on an assessment of their ability to provide quality executions and its belief that the research, information, and other eligible services provided by these brokers benefit client accounts. It is not possible to place a precise dollar value on the special executions or on the brokerage and research services ClearArc Capital receives from brokers. Accordingly, brokers selected by the firm are paid commissions for effecting portfolio transactions for client accounts in excess of amounts other brokers would have charged for effecting similar transactions if ClearArc Capital determines in good faith that such amounts are reasonable in relation to the value of the brokerage and research services provided by those brokers, viewed either in terms of a particular transaction or its overall duty to discretionary accounts.

Brokerage and research services obtained with soft dollars are not necessarily utilized for the specific account that generated the soft dollars. Some clients, including, but not limited to directed brokerage clients, and clients who restrict the use of soft dollars, benefit from the research and brokerage products obtained from soft dollars despite the fact that their trade commissions may not be used to pay for these services. ClearArc Capital does not attempt to allocate the relative costs or benefits of brokerage and research services among client accounts because it believes that, in the aggregate, the brokerage and research services it receives benefit all clients and assists ClearArc Capital in fulfilling its overall investment responsibilities.

Brokerage and research services-related costs can be shared with Fifth Third Bank and can benefit Fifth Third Bank clients ("shared-use"). Fifth Third Bank clients may receive brokerage and research services generated from ClearArc Capital client soft dollar commissions that do not necessarily benefit ClearArc Capital clients. Similarly, ClearArc Capital and its clients can receive brokerage and research services that benefit ClearArc Capital and/or its clients, but not necessarily Fifth Third Bank clients, even though the commissions were generated from Fifth Third Bank client transactions. ClearArc Capital and Fifth Third Bank clients' trading commissions generate soft dollar credits that each

party uses, in its respective offices, obtained from shared soft dollar commissions. Further, ClearArc Capital portfolio managers and Fifth Third Bank research personnel separately vote on brokerage and research services. ClearArc Capital makes a good faith effort to fairly allocate these shared-use items.

Selected products or services provided by brokers have administrative, marketing, or other uses that do not constitute brokerage or research services within the meaning of Section 28(e) of the Securities Exchange Act of 1934. These are referred to as “mixed-use” products and services. ClearArc Capital evaluates mixed-use products and services and attempts to make a reasonable allocation of the cost of these products or services according to their use, including the number of people involved, the intended purpose, or the amount of time that different functions utilize the product or service. A conflict of interest can arise in allocating the cost of mixed-use items between research and non-research products and services. The portion of a product or service attributable to eligible brokerage or research services will be paid through brokerage commissions generated by client transactions; the remaining cost of the product or service will be paid by ClearArc Capital from its own resources.

C. Client Referral Arrangements

ClearArc Capital does not select brokers or place brokerage transactions based on its, or any of its affiliates', receipt of client referrals or in exchange for transaction flow. The firm monitors its brokerage arrangements to ensure that it selects brokers by seeking the best combination of price and execution, as described in Items 12.A. and 12.B.

D. Directed Brokerage

Some ClearArc Capital clients use a broker as their custodian. Clients that establish custodial accounts at a broker typically direct the firm to effect portfolio transactions through that broker at a rate agreed upon between the client and the broker. If a client is referred to ClearArc Capital by a broker, has opened a custodial account with a broker, or otherwise directs the firm to use a certain broker, it is ClearArc Capital's practice not to negotiate commission rates with such broker unless specifically requested to do so by the client. Clients can select brokers at their discretion.

A client who directs ClearArc Capital to use a particular broker, including a client who directs the use of a broker as custodian of the client's assets, should consider whether such a direction will result in costs or disadvantages to the client, as further described below. Accordingly, a client should satisfy itself that the broker provides adequate price and execution of transactions.

If a client directs ClearArc Capital to place securities transactions through a broker, the client should consider the following factors: (1) the client may compromise ClearArc Capital's ability to seek best execution; (2) ClearArc Capital may not attempt to negotiate commissions on the client's behalf which can result in higher commissions, greater spreads, or less favorable net prices than would be the case if the firm alone selected the brokers; (3) the client's trades may not be aggregated (blocked) with similar trades for other client accounts and, thus, the client will not receive any benefits that accrue from such blocked orders; (4) as a result of not being blocked, directed transactions will be traded according to a first-in, first-out, and/or rotational method; (5) the client may pay more in commissions than if it had not directed ClearArc Capital to use a particular brokerage firm; (6) the broker selected may not have appropriate capabilities or operational expertise; (7) the client directed broker may not satisfy ClearArc Capital's broker selection criteria; and (8) the client account may not generate returns equal to those of the firm's clients who do not direct brokerage. As a result, such clients can pay higher commissions and/or receive less favorable net prices than might be attained if the firm were able to maintain broker/dealer discretion. ClearArc Capital requires written client instructions to direct overall brokerage or specific transactions to a specific broker, including affiliated brokers.

ClearArc Capital can “step-out” certain directed brokerage trades to the designated broker, or it will select a broker (see Item 12.A. for more information on broker selection) when it determines that doing so is consistent with its duty to seek best execution. In a step-out arrangement, directed brokerage transactions are blocked with other accounts (see Item 12.E. for more information regarding ClearArc Capital’s trade aggregation procedures) and placed with an executing broker selected by ClearArc Capital. The firm’s executing broker then sends (“steps-out”) the client’s transaction to the broker directed by the client. The directed broker determines the commissions and settles the transaction. While ClearArc Capital accommodates client directed brokerage instructions, it focuses on its obligation to seek best execution. The firm will step-out trades at its discretion, but it does not maintain specific trading targets for complying with client directed brokerage arrangements.

E. Trade Aggregation Procedures

ClearArc Capital manages accounts with both similar and different investment strategies, all of which can trade in the same securities. Although not required to do so, the firm can combine different client orders for identical securities to be executed as an aggregated (blocked) order. This practice enables the firm to seek more favorable executions and net prices. Each client participating in a blocked order will receive an average share price and will share in commissions and/or other transaction costs on a pro-rata basis. Generally, securities will be allocated on a pro-rata basis based on assets under management including situations where the order is partially filled. Adjustments to this pro-rata allocation can be made to avoid odd-lot share amounts in any client account or to avoid deviations from targeted minimum/maximum holdings limits established for any account. ClearArc Capital, in certain cases, uses its judgment to aggregate or not aggregate the trade based on the client’s unique investment guidelines. It is the firm’s policy to allocate investment opportunities, to the extent practical, to similarly situated client accounts over time, in a manner that ClearArc Capital believes is fair and equitable to each client’s account. Transactions for any client’s account will not be blocked if the practice is prohibited by, or inconsistent with, the client’s investment instruction. In some cases, clients with account restrictions will not participate in blocked trades if the restrictions prevent the trader or portfolio manager from executing the trade in a timely manner. In such an instance, the accounts with restrictions will be traded in a different order or at a different time than accounts participating in the blocked trade.

Traders seek out natural block orders, looking for indications of interest, advertisements, and broker lists. Traders will work larger orders by piecing them out at their discretion based on market conditions and liquidity. Traders utilize market quotation tools on their desk to determine the best quoted bids and offers from recognized quoted exchanges. Traders, if appropriate, will use technical trading indicators to help gauge best prices and liquidity. Traders utilize direct market access platforms to help route orders to appropriate exchanges. Traders utilize trading algorithms if appropriate to help expose best prices and liquidity. Traders, if appropriate, will access dark liquidity pools and block venues to find liquidity. In conjunction with portfolio manager instructions and the trader’s discretion, baskets of stocks can be traded in programs to help achieve appropriate prices and liquidity. Traders will monitor market conditions through live news and market cable programs.

ClearArc Capital’s equity trading area begins to work non-strategy trades received from portfolio managers on a first-in, first-out basis. If similar orders for different accounts are received after the initial first order, the traders can deviate from the first-in, first-out method and begin to aggregate the remaining similar orders only if all accounts would be treated in a fair and equitable manner. In certain cases where trade restrictions or unique account-level requirements jeopardize the fair and equitable treatment of all accounts, the traders have the ability to use their discretion to deviate from the rotation order. By employing this methodology, ClearArc Capital attempts to treat all accounts fairly and equitably over time.

Fixed income portfolio managers generally allocate securities based upon the following methods: pro rata, target durations, portfolio characteristics, sector weightings, cash flows, and/or investment policy. Due to a limited supply of certain securities and differing portfolio characteristics among accounts, fixed income portfolio managers also use any other method as long as it is fair and reasonable, no client is unduly favored over another, and all clients are treated fairly over time. Some fixed income accounts have certain restrictions or requirements that prevent them from participating in an aggregated trade. As a result, trading and execution costs can be different (higher or lower) from those accounts participating in the aggregated transaction.

For any client accounts for which other offerings of securities are appropriate in light of the account's objective and current portfolio composition, the allotment provided to ClearArc Capital is generally allocated pro-rata among participating accounts based on each account's assets under management. When the firm does not receive a full allocation, the partial fill is allocated on a pro-rata basis across participating accounts pursuant to procedures that ensure that clients are treated fairly and equitably over time.

For all blocked trades, if ClearArc Capital is unable to fully execute a blocked transaction and it determines that it would be impractical to allocate a smaller number of shares among accounts participating in the transaction on a pro-rata basis, ClearArc Capital will allocate such securities in a manner determined in good faith to result in a fair allocation over time.

F. Cross Transactions

ClearArc Capital typically executes trades in client accounts through the open market. However, when deemed in the clients' best interests, permissible by regulation and client agreement, and when it is consistent with the firm's best execution obligations, ClearArc Capital engages in internal or broker agency-cross transactions. Under such circumstances, the firm will not receive any brokerage or other related compensation. If the firm engages in any principal or agency cross transactions, it will seek client consent as required by rule. ClearArc Capital does not intend to engage in cross trades involving ERISA accounts.

If FTS is an underwriter (or a syndicate member of) a primary offering of securities for any issuer, ClearArc Capital will not purchase from FTS securities that are subject to such primary offering ("Primary Offering Shares") during the pendency of the distribution of those securities. However, subject to compliance with applicable law, it purchases Primary Offering Shares from other parties during the pendency of distribution of those Primary Offering Shares, notwithstanding the fact that FTS can be an underwriter (or a syndicate member) for such Primary Offering Shares.

ClearArc Capital can acquire securities to resolve trade errors. These may technically constitute principal transactions. See "Other Disclosures" Section D for more specific information regarding ClearArc Capital's trade error policies.

ITEM 13 - REVIEW OF ACCOUNTS

ClearArc Capital's Investment Management Committee routinely monitors and reviews historical investment performance, benchmark comparisons, and portfolio attribution at the investment strategy level. Portfolio managers and/or client relationship managers oversee all aspects of a client's account including performance and adherence to client-specific investment guidelines. ClearArc Capital also performs automated compliance monitoring of internal investment policies and client investment guidelines and restrictions.

ClearArc Capital meets with clients on an agreed-upon basis to discuss the performance of the client's account, provide investment updates, review client investment objectives, and to address any other client issues.

ClearArc Capital offers clients the opportunity to receive written investment reports at least quarterly. Custodians also generally provide separate account statements and confirmations reflecting investment activity.

ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION

A. Sub-Advisory Arrangements

ClearArc Capital has been hired by institutional clients, including Fifth Third Bank, to sub-advise various accounts. For this service, the firm is compensated based on assets under management. The sub-advised accounts are managed consistent with other client mandates in similar investment strategies. The firm faces potential conflicts of interest associated with preserving and expanding these sub-advisory relationships. ClearArc Capital monitors performance dispersion within each investment strategy to ensure that all accounts are treated similarly over time.

B. Solicitor Arrangements

ClearArc Capital has a solicitor arrangement with an affiliate, Fifth Third Bank. Fifth Third Bank administers internal programs that reward employees for making business referrals, including referrals to ClearArc Capital. ClearArc Capital does not sponsor these programs or make any direct payments. All payments are made at Fifth Third Bank's discretion. Fifth Third Bank is required to disclose, at the time of the solicitation, its relationship with ClearArc Capital.

ClearArc Capital has and can enter into solicitation arrangements with third-parties. The arrangement is designed to comply with applicable regulatory requirements, including a written disclosure from the solicitor regarding the solicitation arrangement and a description of the solicitor's compensation arrangements.

C. Other Compensation Arrangements

ClearArc Capital and its affiliates sponsor, from their own resources, client activities or events such as fundraisers, golf outings, training programs, etc., or provide some other measure of financial support. See Item 5 for more information about the firm's other compensation arrangements.

ITEM 15 - CUSTODY

ClearArc Capital's clients are responsible for selecting and managing their custody relationships. Some clients have selected or can select Fifth Third Bank to serve as their custodian. Due to its affiliation with Fifth Third Bank, ClearArc Capital is deemed to have custody of these clients' assets. Fifth Third Bank is the qualified custodian of these assets. ClearArc Capital and Fifth Third Bank mitigate any custody risks by maintaining internal controls and having these controls periodically tested by internal auditors and an independent audit firm. For clients who hire custodians that are not affiliated with ClearArc Capital, employees of ClearArc Capital do not perform any custody functions. In certain circumstances, ClearArc Capital is deemed to have custody of these accounts based on Fifth Third Bank's or an affiliate's role (e.g., trustee) on these accounts.

If a client selects Fifth Third Bank as its custodian, the client can direct Fifth Third Bank to pay ClearArc Capital's investment management fees directly from the client's custodial account.

ClearArc Capital has implemented the following custody controls that are applicable to its clients who select Fifth Third Bank as their custodian:

1. Quarterly custody account statements: Fifth Third Bank will provide custody account statements at least quarterly. ClearArc Capital recommends that clients carefully review these statements by comparing them to the statements received from ClearArc Capital. Statements from ClearArc Capital and custody account statements might reflect different valuations based on trade versus settlement date reporting differences and price source differences. For tax and other purposes, the custodian's statement reflects the client's official account and asset balances.
2. Internal controls: ClearArc Capital maintains policies and procedures and other controls designed to prevent and mitigate it or its employees from having unauthorized access to client assets.
3. Surprise examinations: ClearArc Capital has engaged a qualified, independent public accountant to perform at least annual surprise examinations, to validate assets on a sample basis, and to review the custody controls in place for those client assets over which the firm is deemed to have custody.
4. Custodian internal controls report: ClearArc Capital receives and reviews Fifth Third Bank's custody internal control reports. These reports are prepared by a qualified independent public accountant and include an opinion with respect to Fifth Third Bank's internal custody controls, including access controls related to ClearArc Capital employees' custody system privileges. These reports address the appropriateness of the controls including:
 - a. Opening or modification of client accounts;
 - b. Authorizing client transactions, including contributions and withdrawals;
 - c. Authorizing and recording trades;
 - d. Authorizing new and changes to securities;
 - e. Processing income and corporate actions;
 - f. Safeguarding physical securities;
 - g. Reconciling cash and security positions; and
 - h. Providing account statements.

You may contact your Fifth Third Bank custody representative to request a copy of the internal controls report.

ITEM 16 - INVESTMENT DISCRETION

A. Discretionary Investment and Brokerage Authority

As set forth in client advisory contracts, ClearArc Capital is given discretionary authority to manage client assets to specified investment objectives. Within the investment mandate, ClearArc Capital retains the authority to determine, without obtaining specific client consent, the types and quantities of securities to buy and sell. ClearArc Capital also has discretion to select brokers/dealers and other counterparties to execute client transactions. Clients impose specific investment restrictions, limitations, or prohibitions such as restricting the purchases in the account to specific securities (e.g., socially responsible investment restrictions), asset classes (e.g., derivatives), market restrictions (e.g., limit emerging market exposures), etc. Accounts are defined as discretionary as long as ClearArc Capital is able to implement its investment strategy. All discretionary accounts are included in composites used to present performance results.

B. Non-Discretionary Investment Management Activities

In the event a client imposes conditional trading authority and/or material investment strategy restrictions, ClearArc Capital will define these as non-discretionary assets.

ITEM 17 - VOTING CLIENT SECURITIES

ClearArc Capital recognizes and adheres to the principle that one of the privileges of owning stock in a company is the right to vote in the election of the company's directors and on matters affecting important aspects of the company's governance, structure, and operations. ClearArc Capital has implemented policies and procedures in order to vote proxies in the clients' best interests, or where employee benefit plan assets are involved, in the best interests of plan participants and beneficiaries.

A. Proxy Authority

ClearArc Capital seeks to vote proxies in the best interests of its clients. The firm will take reasonable efforts to vote proxies on behalf of clients and will vote proxies where it is afforded the ability to do so. There can be instances, for example, where, at the time the vote is due, client securities have been loaned or other issues exist that prevent ClearArc Capital from voting client proxies.

In some situations, acting in the client's best interest can include abstention from voting. For example, the firm may not vote proxies where it believes the cost of voting outweighs the benefits (e.g., voting on international securities where personal appearance is required, not having sufficient information to vote the proxy, etc.).

B. Proxy Voting Policies and Guidelines

ClearArc Capital has adopted proxy voting policies and guidelines and will generally vote proxies according to these standards. ClearArc Capital reviews and re-establishes its proxy voting policies and guidelines annually. The firm believes that this approach reduces material conflicts of interest and ensures voting consistency. In the event that a material conflict of interest exists, ClearArc Capital's Investment Management Committee will address the matter, including soliciting independent advice when deemed appropriate, and determine how to vote in the clients' best interests.

ClearArc Capital will generally not vote a proxy if it has sold the affected security between the record date and the meeting date.

C. Proxy Voting Controls

ClearArc Capital employs an independent third party (currently Institutional Shareholder Services (ISS)) to (i) research all proxies for which ClearArc Capital has authority to vote; (ii) to recommend a vote according to voting policies and guidelines issued by the third party and approved by ClearArc Capital; (iii) provide vote execution, reporting, and recordkeeping; and (iv) cast a proxy vote consistent with ClearArc Capital's proxy voting policies and guidelines, except in situations where ClearArc Capital overrides the independent third-party's recommendation. Although ClearArc Capital generally follows the recommendations or guidelines made by the independent third party (as set forth in Item 17.B), it will not do so if it determines that the recommendation or guideline is not in the clients' best interests. If the independent third party does not make a recommendation on how to vote or does not vote, the firm intends to vote in the clients' best interests.

ClearArc Capital will monitor the recommendations made and the votes cast by the independent third party to ensure that votes are consistent with: (i) the firm's fiduciary duty; (ii) the best interests of the firm's clients; (iii) the policies and

guidelines published by the independent third party and approved by the firm; and (iv) ClearArc Capital's proxy voting policies and guidelines.

D. Access to Proxy Voting Information

Clients may obtain a copy of ClearArc Capital's proxy voting policies and procedures and/or information regarding how ClearArc Capital voted their specific proxies by sending an email request to Compliance@ClearArcCapital.com or sending a written request to:

ClearArc Capital, Inc.
580 Walnut Street, MD10GA6D
Cincinnati, OH 45263
Attention: Chief Compliance Officer

ITEM 18 - FINANCIAL INFORMATION

This Item does not apply. ClearArc Capital does not require or solicit prepayment of its investment management fees. See Item 5.C. for more information regarding ClearArc Capital's fees.

ITEM 19 - REQUIREMENTS FOR STATE-REGISTERED ADVISERS

This Item does not apply. ClearArc Capital is regulated by the SEC as an investment adviser under the Investment Advisers Act of 1940. ClearArc Capital makes required notice filings in the states where it engages in investment management activities.

OTHER DISCLOSURES

A. Privacy Policy

ClearArc Capital does not disclose non-public personal information except as permitted or required by law. In order to effectively and efficiently deliver products and services to clients, it is necessary for the firm to collect and maintain certain client information. The types of personal information we collect and share depend on the products or services you have with us. This information can include:

- Social Security number and client names;
- Client addresses and tax identification numbers;
- Account numbers; and/or
- Account and transaction history.

We collect your personal information, for example, when you:

- Open an account or conduct account transactions;
- Request account information; or
- When our service providers service your account.

All financial institutions need to share customers' personal information to run their everyday business. Among the reasons ClearArc Capital can share your information are:

- For everyday business purposes – such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or to report to credit bureaus;

- For our marketing purposes – to offer our products and services to you;
- For our affiliates' everyday business purposes – information about your transactions and experiences (but not information about your creditworthiness).

Federal law gives you the right to limit only:

- Sharing for affiliates' everyday business purposes – information about your creditworthiness;
- Affiliates from using your information to market to you; and
- Sharing for non-affiliates to market to you.

State laws and individual companies may give you additional rights to limit sharing.

When you are no longer our client, we continue to share your information as described in this notice.

To protect your personal information from unauthorized access and use, ClearArc Capital uses security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. ClearArc Capital requires affiliates and service providers to maintain technical, physical, and administrative safeguards. Additionally, when client information is shared, the firm requires third parties to treat and maintain the privacy of that information to the same degree of diligence and careful attention required by ClearArc Capital.

B. Educational Standards

Portfolio managers must possess experience in money management or other related professions, such as banking or securities research, with demonstrated expertise in economic and investment disciplines. Portfolio managers generally have a college degree with studies concentrated in investment research, research analysis, or other fields that complement their professional activities. While not required, the firm encourages its investment professionals to earn professional credentials such as the Chartered Financial Analyst (CFA)[®] designation.

C. Performance Presentation Standards

ClearArc Capital calculates its performance returns in compliance with the Global Investment Performance Standards (GIPS[®]). The firm has received firm-wide verification for the periods 1/1/1995 through 12/31/2017 by an independent verifying firm. Additional information regarding policies for calculating and reporting returns is available upon request. Past performance is not indicative of future results.

D. Trade Errors

ClearArc Capital maintains controls designed to timely identify and resolve errors in client accounts. The firm attempts to resolve errors in a manner that the client is not harmed or unduly enriched by such errors.

In the event the firm identifies an error prior to the transaction's settlement date, it will send new trade instructions to the broker to correct the original transaction and settle the trade in the client's custodial account. The correcting transaction will be done in a manner so that the client is not financially harmed. An open market transaction to offset any incorrect trade will be executed with the broker. Any loss incurred by the broker that was caused by erroneous trade instructions sent by the firm will be reimbursed to the broker. Any gains as a result of correcting the erroneous trade instructions are typically kept with the broker, because the firm or the client did not commit any capital on the correcting portion of the trade. If the foregoing process cannot be followed due to the nature of the error, then the firm shall determine the proper course of action on a case-by-case basis. It is the firm's intent to ensure that clients involved are not financially harmed or unduly enriched.

In the event the firm identifies an error after the transaction settles, it will execute an open market transaction in the client's account to correct the error. Any gains resulting from these transactions will be left in the client's account and any losses, including transaction costs to correct the trade, will be promptly reimbursed to the client's account. To the extent such is permitted by applicable law, correcting transactions that yield both gains and losses can be netted and ClearArc Capital by means of their parent company, Fifth Third Bank, will reimburse any net loss.

In situations where ClearArc Capital has been hired as a sub-adviser, it will look to the adviser for direction on how it should resolve trade errors. For complex errors, the firm will examine, on a case-by-case basis, corrective measures and will implement a resolution that attempts to provide a fair outcome and avoids the client incurring any financial harm or unjust gains.

E. Class Action Procedures

ClearArc Capital does not administer, recommend, or otherwise participate in class action settlements on behalf of clients with separately managed accounts. Clients should receive claims notices from their custodians. ClearArc Capital recommends that you consult with your custodian regarding whether class action claims are filed on your behalf or if you are responsible for filing such claims. The firm does not counsel its clients on whether to participate in the class action claim or whether to seek separate legal remedies. For clients invested in a pooled investment vehicle, the firm instructs the custodian/trustee to file on a fund's behalf to participate in all U.S. class actions for which it may be eligible and is financially beneficial.



beyond the traditional

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