FIRM BROCHURE
FORM ADV PART 2A

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This Brochure provides information about the qualifications and business practices of QRG Capital Management, Inc. ("QRG"). If you have any questions about the contents of this Brochure, please contact us at 312-827-2800. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about QRG also is available on the SEC's website at www.adviserinfo.sec.gov.

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

Item 2: Material Changes

This Item discusses only specific material changes that are made to the Brochure and provides clients with a summary of such changes. QRG last filed an update to the Brochure on January 24, 2024. There were no material changes to this Brochure from the previous version.

Pursuant to SEC Rules, if there are material changes to the Brochure, QRG will provide a summary of any material changes to its Brochure within 120 days of the close of its fiscal year. QRG may also provide information about material changes to clients at other times during the year, if necessary
QRG will provide you with a new Brochure, at any time, without charge.

Currently, our Brochure may be requested by contacting QRG at 312-827-2800. Our Brochure is also available on our web site (https://www.envestnet.com/forms-adv-crs).

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Item 4: Advisory Business

QRG is an investment adviser with its principal place of business in Chicago, Illinois. QRG operates as a subsidiary of Envestnet, Inc. (ENV), a publicly held company founded in 1999 and whose stock is traded on the New York Stock Exchange (NYSE) under the ticker symbol ENV. Brandon R. Thomas is a co-founder and the Co-Chief Investment Officer of Envestnet, Inc. and is the President of QRG. Janis Zvingelis is the Director of Quantitative Research and a principal of QRG. As of December 31, 2023, QRG had $7.649 billion in assets under management.

QRG specializes in quantitative investment management services, including the systematic construction and management of investment strategies grounded in quantitative research.

QRG's investment process is guided by systematic, quantitative, and rules-based methodologies. QRG's investment management services and strategies are designed with the goal of enabling clients to implement their market exposure, risk management and return objectives in a cost-efficient manner. These services may be customized by clients to meet their specific needs and objectives. Clients may seek to impose restrictions on investments in securities or types of securities and investment guidelines for the management of their assets; such desired restrictions and investment guidelines are subject to the consent of QRG.

QRG provides discretionary investment management and investment advisory services indirectly to clients through intermediaries such as independent financial advisors, asset managers, consultants, and family offices, and directly to high-net-worth individuals, endowments and foundations, and other institutions. In addition, QRG may advise a limited number of clients on asset allocation and fund selection.

QRG provides, through its affiliate Envestnet Asset Management, Inc. ("Envestnet"), an SEC-registered investment adviser and asset management platform provider, technology, operational and administrative support services to QRG's clients. Envestnet may assist QRG with a variety of account processing and maintenance duties, including client account initiation and setup, support related to client account trading and processing, billing services, custodial reconciliation, and the computation and preparation of client reports.

QRG provides discretionary portfolio management services to mutual funds that are registered as such under the Investment Company Act of 1940, as amended (the "Investment Company Act"). Such mutual funds include those sponsored by Envestnet.

QRG also offers customized non-discretionary strategies through agreements with non-affiliated institutional platforms. In doing so, QRG contracts with the non-affiliated firm as portfolio managers to the QRG offerings. For such portfolio management services, QRG obtains a manager fee, which is negotiated separately with each respective firm.

QRG's investment management personnel began managing Quantitative Portfolio ("QPs") strategies through Envestnet in November 2013. As of September 1, 2023, all QP strategies are now fully managed under QRG by the same investment management personnel.

Item 5: Fees and Compensation

Investment management fees on all QRG's strategies are subject to negotiation, and will vary depending on certain factors, such as account size, investment strategy, and level of customization, among others. QRG's compensation for investment advisory services is generally based on an annual percentage of assets under management.

Our asset-based fees are typically in tiered schedules with breakpoints based on the amount of assets in the account, so that the fee rate decreases as the level of assets increases. Unless otherwise agreed to by the client with QRG, these investment management fees are generally charged quarterly or monthly in advance, but we support billing in arrears if selected by the Advisor. In circumstances where we manage multiple accounts for a single client relationship, we may, in our discretion, agree with the client to aggregate the client's assets across related accounts to enable the client to benefit from a lower fee tier. We may also agree to consider such total assets in determining a fee schedule for each account.

The standard fee schedules for QRG's Quantitative Portfolio strategies are as follows, but lower fees may be separately negotiated:

Quantitative Portfolio Strategy Fees [1, 2, 3, 4]
0.095%-0.30%

[1] Fees shown do not include Advisor Fee, which generally range from approximately 0.80% to 1.10%. Mutual funds, ETFs and other Funds have internal operating expenses separate from the fees shown in this table. Please see the prospectus or related disclosure document for information regarding these fees. Envestnet and its affiliates do not retain 12b-1 fees from mutual funds in which Clients invest. Any 12b-1 fees inadvertently received shall be returned to the fund company.

[2] Fees are calculated on a per account basis. The maximum fee stated above is the current maximum for accounts using QRG as of the date of this disclosure brochure.

[3] When Envestnet's Tax Overlay or Values Overlay is utilized, there is an additional fee of 0.02% - 0.10%.

[4] The QP Strategy Fees listed above do not include brokerage, clearing, platform, or custody fees. The standard fee schedule for Quantitative Portfolios accessed through Envestnet's Programs are 0.35% - 0.91%. Please refer to Envestnet Asset Management's Form ADV Part 2A Brochure, Item 5 – Fees and Compensation for further information.

Clients may be billed for their investment management fees or authorize QRG to deduct these fees from the client's custodial account.

Clients should understand that all custodial fees and any other charges, fees, commissions, markups, and markdowns incurred in connection with the execution of transactions for a client's account are generally paid out of the assets in the account and are in addition to the investment management fees charged by QRG. Clients may incur certain charges imposed by custodians, brokers, dealers, and other third parties which may include, but are not limited to custodial fees, deferred sales charges, odd-lot differentials, transfer fees and taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. (See Item 12 for more information on brokerage practices.) Mutual funds and ETFs also generally charge internal operating fees, which are disclosed in a prospectus. Such charges, fees and commissions are exclusive of and in addition to QRG's fees, and QRG does not receive any of the foregoing charges, fees, and commissions.

QRG strives to choose the lowest-priced mutual fund share available for QRG proprietary strategies. The actual share class fund that is purchased and allocated to a client account is specific to the mutual funds available to the client's retail investment adviser ("Advisor"). QRG does not negotiate share class availability on behalf of entities, such as investment advisers and broker-dealers, or their clients, nor does QRG take responsibility for the management and review of client accounts for share class usage. Clients should consult with their Advisor for share-class specific guidance. The availability of mutual funds and certain other pooled investment vehicles in an investment advisory program is determined by the Advisor. QRG does not advise Advisors on the selection of funds or other pooled vehicles for their investment advisory programs.

QRG may enter into various advisory agreements with investment advisers and other financial intermediaries with respect to investment programs they sponsor. Typically, QRG negotiates fees with the advisers and other financial intermediaries and not with individuals participating in such programs. However, in cases for which a client requests customized portfolio construction, the fees charged will be based on the size and complexity of the account.

Wrap accounts are generally managed in the same or similar manner to other separately managed accounts. However, wrap programs may impose specific restrictions and investment guidelines that are more restrictive than fully discretionary client accounts; see the wrap program sponsor's disclosure brochure for a discussion of any such restrictions and investment guidelines. In addition, wrap programs may mandate that QRG direct transactions to a specific broker-dealer, which may prohibit QRG from seeking best execution or aggregating trades.

Clients or QRG may terminate advisory services at any time, for any reason, upon receipt of 30 days prior written notice. Clients will receive a prorated refund of any pre-paid quarterly investment management fee, based upon the number of days remaining in the quarter after the termination date. Clients are not charged a liquidation fee if securities are to be delivered in-kind; otherwise, commissions and/or fees may be charged by the broker-dealer liquidating security positions.

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

QRG does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a Client). Consequently, QRG does not engage in side-by-side management of accounts charged a performance-based fee with accounts charged another type of fee (such as assets under management). As described above, we charge for our investment management services based upon a percentage of assets under management. It should be noted that accounts that are managed in the same investment style (e.g., risk profile) are not always managed the same way due to the client's overall investment objective, asset size and account restrictions.

QRG provides investment advisory and investment management services for many clients and may give advice and act with respect to one client that differs from advice given or the timing or nature of action taken with respect to another client. It is QRG's policy not to favor or disfavor any client or class of clients in the allocation of investment opportunities. To the extent practicable, all investment opportunities will be allocated among clients over time on a fair and equitable basis.

Item 7: Types of Clients

As noted above, the types of clients to which QRG may provide investment management and investment advisory services indirectly include intermediaries such as independent financial advisors, asset managers, consultants, and family offices. It may also provide its services directly to high-net-worth individuals and certain institutional clients, such as banks, trusts, corporate pension and profit-sharing plans, Taft-Hartley plans, charitable institutions, foundations, endowments, municipalities, registered mutual funds, private investment funds, trust programs, sovereign funds, foreign funds such as UCITs and SICAVs, and other U.S. and international institutions. QRG may require different minimum investment amounts based on investment strategy, vehicle implementation, and any specialized portfolio customizations requested by the client.

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

Methods of Analysis and Investment Strategies

As noted above in Item 4: Advisory Business, QRG specializes in quantitative investment management services, including the systematic construction and management of investment strategies grounded in quantitative research. QRG uses proprietary models and technology (also referred to as an “algorithm”) to research, design, test, and implement its strategies for clients. Investment strategies employed may be customized to address the specific needs of the client.

QRG’s investment management services are focused primarily on the design, construction and ongoing discretionary management of portfolios that implement quantitative passive indexing and quantitative active investment strategies. Passive indexing strategies attempt to track the performance of a designated index. Indexes are designed to provide broad-based exposure to a particular market or market segment. QRG typically constructs portfolios using a subset of the constituents of the designated tracking index, employing optimization techniques to align the portfolio’s risk characteristics with those of the benchmark. For custom portfolios, QRG can employ a full replication strategy in which each constituent in the designated index is included in the portfolio. For its quantitative active investment strategies, QRG employs a proprietary model to optimize a portfolio of securities designed to outperform the index. QRG constructs each of the strategies to adhere to certain guidelines designed to increase diversification and control risk.

QRG offers four primary types of quantitative investment strategies:

- Passive indexing
- Factor-based investing
- Values investing
- Bond ladder portfolios

QRG offers passive indexing strategies through its Market Series of QPs. The Market Series provides investors with several primary attributes, including: 1) cost-efficient exposure to beta; 2) the opportunity to capture "tax management alpha" (see below for a further discussion of tax management overlay); and 3) the ability to customize the portfolio. QPs are constructed using a systematic process that balances, among other things, a desired tracking error to the underlying index and a target account investment minimum. Several variations of the Market Series QPs are available, including those that track a broad-based index, strategies additionally focused on generating high dividend income, and more focused strategies designed to track a specific industry sector.

QRG offers factor-tilted strategies through its Factor-Enhanced Quantitative Portfolios ("Factor - Enhanced QPs"). The Factor-Enhanced QPs are constructed using a systematic process that balances, among other things, enhanced exposures to some combination of asset pricing factors such as momentum, value, quality, and low volatility; a desired tracking error to the underlying index; a target investment minimum; and liquidity requirements.

QRG offers environmental, social and governance (ESG) investing strategies through its Sustainable Quantitative Portfolios ("Sustainable QPs"). The Sustainable QPs spans various asset classes and sustainable themes, including ESG, climate solutions, gender and diversity, and faith-based strategies. QRG generally employs one or more of the following objectives in its Sustainable QPs strategies: 1) Reduce exposure to companies operating in specific industries/sectors, or those with controversial events; 2) Integrate ESG or ESG-related scoring dimensions in the stock selection process to identify portfolio holdings that overall exhibit stronger ESG characteristics relative to a broad peer group or index; and 3) Enhance exposure to companies providing products or services to address ESG challenges, as determined by the amount of revenue derived from the business operation. To achieve these objectives, QRG relies in part on data provided by third-party research firms. QRG does not require every portfolio holding to participate in ESG-related business activities, nor does it require a company to have a specific ESG score. The Sustainable QPs are constructed using a systematic approach that considers the Values/ESG objectives and various operational constraints. While QRG adheres to an investment policy and methodology, it does not guarantee values outcomes or that certain ESG objectives will be achieved. The portfolios incorporate the Values criteria on a best-efforts basis. In addition, because Values/ESG is an evolving investment philosophy, QRG may update its Values methodology to reflect changes in business operations, technology, data availability, and best practices.

The composition of the QP strategies is predominantly made up of highly liquid exchange-traded securities. In our domestic US equity strategies, individual equities in the large cap, mid cap and small cap segments comprise most implementations. QRG does offer a version of our Market Series strategies designed for lower minimum investment amounts. This version includes an allocation to an exchange-traded fund (ETF) representative of the underlying asset class. The ETF allocation enables closer tracking of the index for accounts holding fewer individual securities.

In addition, our international developed markets and emerging markets equity strategies are comprised of American Depositary Receipts ("ADRs"). An ADR is a negotiable certificate representing a specified number of shares in a foreign company's stock. Issued by a US depository bank, ADRs trade on markets in the US.

QRG also offers laddered bond investment strategies through its QP Treasury, QP Corporate and Municipal Bond Ladders. These portfolios are constructed to provide consistent income in a portfolio of investment-grade fixed-income securities designed to be buy-and-hold. The portfolio consists of bonds that mature at regular intervals within annual increments. When a bond matures, the principal is typically reinvested in the longest maturity at the end of the ladder. It is important to note that while the securities within portfolios are designed to be bought and held to maturity, QRG can sell and replace a position under certain conditions, including if it no longer satisfies our quality criteria, or if the bond is involved in a corporate action. The ladder process is designed to provide low sensitivity to rising interest rates, along with a predictable income stream.

QRG offers several risk management options strategies for clients seeking to hedge downside risks for concentrated stock positions. Each of the approaches uses options and combinations of options to construct a hedge structure with varying levels of protection against downside moves, enhanced income, and upside participation. Each approach seeks to reduce the volatility of the underlying stock position, while enabling the Client to maintain the current position in the security if they choose. Clients can select from three basic approaches: 1) Covered Call – With this approach QRG applies a dynamic covered call writing strategy to the client's underlying stock position. Covered call strategies are designed to provide limited downside protection while striving to generate income through the call premiums; 2) Protective Put – With this approach QRG purchases puts at a level designated by the client below the underlying stock's prevailing market price. Protective put strategies provide explicit downside protection, but also require a cash outlay to fund the purchase of the put; 3) Collar – With this approach QRG will buy protective puts at a designated level below the stock's current market price and at the same time sell covered calls above the stock's market price. The objective with collar strategies is to implement the strategy so that the premium paid for the purchase of the puts is offset by the premium received by the selling of the call. Collars provide explicit downside protection, but also cap the upside participation.

For each QP strategy, once the specifications are established, the portfolio is constructed using a proprietary risk factor model developed by the investment management team. The portfolio management team reviews the portfolio characteristics to ensure conformity with the tracking index and other objectives and constraints. The portfolios are re-optimized and rebalanced periodically, according to the same objective and systematic approach. Since the strategies are quantitatively constructed, individual stock selection based on fundamental and qualitative evaluation is not part of the process. While the investment team does not override the model or the resulting portfolio, a portfolio manager may periodically replace specific positions that are subsequently acquired or involved in some other type of corporate action. Even in these instances, the portfolio manager will rely on the decision framework the team has established and integrated as part of the model.

QRG can customize any of the QP strategies to align with a client's specific goals and objectives. In order to specify customization preferences, the client is asked to complete a portfolio customization questionnaire. The dimensions along which the strategies may be customized include, but are not limited to, the number of positions; tracking error to the benchmark index; security and industry restrictions; and dividend yield expectations. In addition, in terms of factor exposures, clients may select single-factor or multi-factor implementations. Clients may also express their specific values according to many different sustainable investing themes. QRG uses the specifications provided in the questionnaire to construct a portfolio that satisfies the objectives and constraints. Periodically, the combination of custom constraints and parameters selected by the client may not allow for a portfolio to be constructed. In such cases, QRG will work with the client in an attempt to adapt the customizations so that a suitable portfolio meeting the client's goals is constructed. For clients to whom QRG provides its services directly, QRG engages in outreach at least annually to confirm whether there have been any changes to the client's financial situation and/or investment objectives, or to the client's desired investment restrictions, that would impact the information previously collected. In addition, on a quarterly basis, QRG notifies such clients to contact QRG to confirm such information. For clients to whom QRG provides its services indirectly through intermediaries such as independent financial advisors, consultants and family offices, the responsibility to engage in such annual outreach and quarterly notification lies with the intermediary, who will then communicate any changes in the relevant information to QRG.

Through the Personal Index Portfolio Builder, QRG allows clients to create bespoke or completely custom investment strategies. Clients are presented with a comprehensive questionnaire through which they can specify parameters they desire to have reflected in the strategy. QRG offers dozens of dimensions along which strategies can be created, including domestic and international asset class, style tilt, factor tilts, dividend focus, sustainable themes, and user-defined specifications. QRG will ingest the questionnaire inputs and strive to optimize a portfolio satisfying all the parameters and constraints.

It is important for clients to immediately communicate any changes to information previously provided so QRG can make any appropriate adjustments to the way client assets are managed in order to reflect such changed circumstances.

While QRG's portfolio construction methodology and management processes may result in the QP strategies being tax-efficient, QRG does not explicitly tax-manage the QP strategies, and QRG does not hold itself out as an accountant or tax advisor and does not provide such services. For clients who are tax sensitive, QRG will incorporate the desired tax considerations as part of the customization and optimization process. Tax overlay services provided by Envestnet are available for an additional annual asset-based fee typically ranging from 0.02% - 0.05%. Coupled with tax overlay, QPs can help minimize an investor's tax bill and capture "tax-management alpha" via minimizing realization of short-term capital gains; tax-loss harvesting; and consulting assistance to help address investor- specific tax situations. One of the most common uses of the tax overlay capabilities is tax transition, which consists of transitioning low-cost basis and often concentrated positions into a more diversified QP strategy over time, and according to the client's desired capital gains realization preferences.

Risk of Loss

Investing in securities involves the risk of loss (including loss of principal) that each client should be prepared to bear. Typical investment risks include market risk typified by a drop in a security's price due to company-specific events (such as an earnings disappointment or a downgrade in the rating of a bond) or general market activity (such as occurs in a "bear" market when stock values fall in general). Stock markets, especially foreign markets, are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments.

Equity Market Risk: A long-term investment approach cannot guarantee a profit. Economic, market, political, and company-specific conditions and events will cause the value of equity securities, and the portfolio that owns them, to rise or fall. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices.

ESG and Values Risks: Incorporating ESG characteristics into the investment process carries the risk that the Values and ESG portfolios may underperform as compared to non-value or non-ESG focused strategies. The Values and ESG considerations may reduce the investment universe or result in different exposures from funds or strategies that do not use such criteria. There is no guarantee that values investment strategies will work under all market conditions, and each investor should evaluate their ability to invest long-term. In addition, QRG utilizes several ESG research and ratings providers for portfolio management purposes. The scores, ratings, and assessments are subjective by nature, and may or may not be accurate, complete, or reflect the beliefs of some investors. QRG depends on the information provided by third-party vendors. Any delay in the remittance of ESG information or sudden change in scores may cause the portfolio to hold companies that do not align with the values methodology. While QRG attempts to update the portfolios in a timely manner, it cannot guarantee that the strategies will reflect the latest ESG information.

ETF Risk: Investing in an exchange-traded fund (ETF) exposes a client portfolio to all the risks of that ETF's investments and subjects it to a pro rata portion of the ETF's fees and expenses. As a result, the cost of investing in ETF shares may exceed the cost of investing directly in its underlying investments. ETF shares trade on an exchange at a market price which may vary from the ETF's net asset value. ETFs may be purchased at prices that exceed the net asset value of their underlying investments and may be sold at prices below such net asset value. Because the market price of ETF shares depends on market demand, the market price of an ETF may be more volatile than the underlying portfolio of securities the ETF is designed to track. A client account may not be able to liquidate ETF holdings at the time and price desired, which may affect performance.

Fixed Income Risk: Fixed income strategies are subject to interest rate risk and the inherent credit risk related to the underlying credit worthiness of the various issuers and the volatility of the bond market. Fixed income securities are also subject to the risk that an issuer may exercise its right to redeem a fixed income security earlier than expected (a call). Issuers may call outstanding securities prior to their maturity for several reasons (e.g., declining interest rates, changes in credit spreads and improvements in the issuer's credit quality). Fixed income securities are subject to the risk of non-payment of scheduled principal and interest. Changes in economic conditions or other circumstances may reduce the capacity of the party obligated to make principal and interest payments on such instruments and may lead to defaults. Such non-payments and defaults may reduce the value of, or income distributions from, a client portfolio. As interest rates rise, the value of a client portfolio invested primarily in fixed-income securities or similar instruments is likely to decline. Conversely, when interest rates decline, the value of such a client portfolio is likely to rise. Securities with longer maturities are more sensitive to changes in interest rates than securities with shorter maturities, making them more volatile. Interest rate risk will generally affect the price of a fixed income security more if the security has a longer maturity. Fixed income securities with longer maturities will therefore be more volatile than other fixed income securities with shorter maturities. Conversely, fixed income securities with shorter maturities will be less volatile but generally provide lower returns than fixed income securities with longer maturities.

Foreign and Emerging Markets Risk: The value of a client portfolio may be adversely affected by changes in currency exchange rates and political and economic developments across multiple borders. In emerging or less developed countries, these risks can be more significant than in major markets in developed countries. Generally, investment markets in emerging countries are smaller, less liquid, and more volatile, and as a result, the value of a portfolio investing in emerging markets may be more volatile. Emerging market investments often are subject to speculative trading, which typically contributes to volatility. Emerging market countries also may have relatively unstable governments and economies. Trading in foreign and emerging markets usually involves higher expenses than trading in the U.S. A client portfolio investing in these markets may have difficulties enforcing its legal or contractual rights in a foreign country. Depositary receipts are subject to many of the risks associated with investing directly in foreign securities, including political and economic risks.

Implementation Risks: There are several implementation costs associated with managing investment strategies, including brokerage commissions and market impact costs. Generally, the higher portfolio turnover, the greater implementation costs and adverse effects on portfolio performance. QRG's portfolio construction methodology and optimization process seek to constrain portfolio turnover to minimize such implementation costs.

Idiosyncratic Risk: Because the QPs typically hold only a fraction of the securities in the benchmark index, the potential exists for a particular holding to have a disproportionate adverse impact on the portfolio's results.

Liquidity Risk: Under certain market conditions, the liquidity of portfolio positions may be reduced. Under these circumstances, QRG may be forced to dispose of securities at reduced prices, thereby adversely affecting its performance. If other investors are seeking to dispose of the same securities at the same time, QRG may be unable to sell or prevent losses.

Model Risks: In managing each of its strategies, QRG uses quantitative models to evaluate factors such as market capitalization, valuation, momentum, profitability, and other factors. These models assist the portfolio management team's decisions and may be used to construct the portfolio holdings and further manage benchmark-relative risks. Models may not work as intended in all markets.

Model and Data Risk: QRG uses quantitative models (both proprietary models developed by QRG, and those supplied by third parties collectively "Models") as well as data both developed by QRG and those supplied by third parties (collectively "Data"). Models and Data are used to help construct portfolios and provide risk management analysis. When Models and Data prove to be incorrect or incomplete, any decisions made in reliance thereon expose clients to potential risks. For example, by relying on Models and Data, QRG may be induced to buy certain investments at prices that are too low, or to miss favorable opportunities altogether. In addition, Models and Data are known to have errors, omissions, imperfections, and malfunctions (collectively, "System Issues"). System Issues in third-party Models are entirely outside of the control of QRG.

Some of the models used by QRG are predictive in nature. The use of predictive models has inherent risks. For example, such models may incorrectly forecast future behavior, leading to potential losses on a cash flow and/or a mark-to-market basis. In addition, in unforeseen or certain low-probability scenarios (often involving a market disruption of some kind), such models may produce unexpected results, which can result in losses to a client's portfolio. Furthermore, because predictive models are usually constructed based on historical data supplied by third parties, the success of relying on such models may depend heavily on the accuracy and reliability of the supplied historical data.

All models rely on correct market data inputs. If incorrect market data is entered into even a well-founded model, the resulting valuations will be incorrect. However, even if market data is input correctly, "model prices" will often differ from market prices, especially for securities with complex characteristics, such as derivative instruments.

Options Risk: QRG's use of call and put options can lead to losses because of adverse movements in the price or value of the underlying stock or index which may be magnified by certain features of the options. These risks are heightened when QRG uses options to enhance a client's return. When selling a call option, a client will receive a premium; however, this premium may not be enough to offset a loss incurred by the client if the price of the underlying security is above or below, respectively, the strike price by an amount equal to or greater than the premium. The value of an option may be adversely affected if the market for the option becomes less liquid and will be affected by changes in the value or yield of the option's underlying asset, an increase in interest rates, a change in the actual or perceived volatility of the stock market or the underlying asset and the remaining time to expiration. Additionally, the value of an option does not increase or decrease at the same rate as the underlying securities. Writing a call in a position can lead to an assignment and involuntary transaction (i.e., "called away"), which cannot otherwise be avoided upon an exercise of a call in the client account. When purchasing a put, a client's entire initial investment of premium can be lost.

Programming and Modeling Errors Risks: QRG's research and modeling process involves financial, economic, econometric, and statistical theories, research, and modeling; the results of that process must then be translated into computer code. Although QRG seeks to hire individuals skilled in these functions and to provide appropriate levels of oversight, the complexity of the individual tasks, the difficulty of integrating such tasks, and the limited ability to perform "real world" testing of the product raises the chances that the finished model may contain an error. One or more of such errors could adversely affect a client's portfolio and would generally not constitute a trade error subject to reimbursement under QRG's policies.

Tax-Managed Investing Risk: Market conditions may limit the ability to generate tax losses or to generate dividend income taxed at favorable tax rates. A tax-managed strategy may cause a client portfolio to hold a security to achieve more favorable tax treatment or to sell a security to create tax losses. The ability to utilize various tax-management techniques may be curtailed or eliminated in the future by tax legislation or regulation. The pre-tax performance of a tax-managed account may be lower than the performance of similar advisory accounts portfolios that are not tax-managed. Please note, while a retail account subscribes to a tax-managed overlay strategy, the overlay strategy may not be able to succeed in reducing the amount of taxable income and capital gains to which an advisory account may become subject. The benefit of tax-managed investing to an individual investor is dependent upon the tax liability of an investor, which considers the level of prevailing tax rates. Over time, the ability of an investor in a tax-managed strategy to harvest losses may decrease and gains may build up in a securities portfolio. Tax-managed investing does not equate to comprehensive tax advice, is limited in scope, and not designed to eliminate taxes in an account. Mandates or the use of limits to restrict the amount of gains realized on your total tax bill may severely restrict trading in the account and could result in substantial deviations from the investment allocation. Tax overlay screens and limits should only be imposed after you have consulted with your tax advisor. QRG does not provide tax planning advice or services.

Tracking Error Risk: Tracking error risk refers to the risk that a client portfolio's performance may not match or correlate to that of the index it tries to track, daily or aggregate. Factors such as fees and trading expenses, imperfect correlation between the portfolio's investments and the index, changes to the composition of the index, regulatory policies, and high portfolio turnover all contribute to tracking error. Tracking error risk may cause the performance of a client portfolio to be less or more than expected.

Cybersecurity Risks: The proliferation of business technologies, while empowering, has also made QRG and its affiliates susceptible to operational, information security, and related risks. Cyber risks arise from deliberate attacks or incidental events originating from external or internal sources. Cyberattacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through "hacking" or malicious software coding) for purposes of misappropriating client or firm level assets or sensitive information; corrupting data, equipment, or systems; and causing operational disruption. Cyberattacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users). Beside hackers, customers trying to gain unauthorized access to databases through legitimate service solutions also pose a threat. Unauthorized access to IT systems or databases could result in the theft, publication, deletion or modification of confidential company or client information. Cyber incidents can disrupt business operations, potentially resulting in financial losses, interfering with the ability to calculate asset prices, impeding trading and transactions, damaging equipment and systems, and violating applicable privacy and other laws; resulting in private litigation, regulatory fines, penalties, reputational damage, reimbursement or other compensation and compliance costs. An actual or perceived data security breach of our security may also require notification under applicable data privacy regulations.

QRG, and its customers through which QRG's solutions are made available to end users collect, use, transmit and store confidential financial information such as bank account numbers, social security numbers, non-public personally identifiable information, and portfolio holdings. The measures we take to provide security for collection, use, storage, processing and transmission of confidential end user information may not be totally effective in protecting against data security breaches by third parties.

We use commercially available security technologies, including hardware and software data encryption techniques and multi-layer security measures, to protect transactions and information. We also encrypt certain data fields that typically include sensitive, confidential information, though other unencrypted data fields may include similar information that could be accessible in the event of a security breach. We use security and business controls to limit access and use of confidential end user information. The technologies and practices of our customers and third-party suppliers may not meet all of the requirements we include in our contracts; we may also not have the ability to effectively monitor the implementation of these security measures. In a number of cases, our customers build and host their own web applications accessing our solutions through our APIs. In such cases, additional risks associated with security and preventive controls reside in the customer's or any third-party supplier's system. Thus, any inadequacies of our customers' and third-party suppliers' security technologies and practices may only become apparent after a security breach has occurred.

Our security procedures and technologies are regularly audited by independent security auditors engaged by us, and many of our prospective and current customers conduct their own audits or review the results of such independent security audits as part of their evaluation of our solutions. We are also periodically audited by regulatory agencies to which our operations or our customers are subject.

We maintain multiple redundancies, back up our databases and safeguard technologies and proprietary information consistent with industry best practices. We also maintain a comprehensive business continuity plan and companywide risk assessment program that is consistent with industry best practices and that complies with applicable regulatory requirements.

Item 9: Disciplinary Information

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of QRG or the integrity of QRG's management. QRG has no legal or disciplinary action that must be disclosed in response to this Item.

Item 10: Other Financial Industry Activities and Affiliations

QRG is under common control with the following entities that are engaged in the securities or investment advisory business. As a result, QRG may have relationships or arrangements with its affiliates that are material to its business and clients. Certain members of executive management of QRG also serve as executive management of these entities. Although the members of QRG's executive management are fully engaged and committed to the success of QRG, the affairs of QRG do not receive the undivided attention of executive management. The entities with which QRG is under common control, each a Registered Investment Adviser, unless otherwise noted, include:

Envestnet Embedded Advisory, Inc.
Firm CRD# 322162

Envestnet Retirement Solutions, LLC
Firm CRD# 171570

Envestnet Asset Management, Inc.
Firm CRD# 111694

Envestnet Portfolio Solutions, Inc.
Firm CRD# 109662

FDX Advisors, Inc.
Firm CRD# 104601

Envestnet Securities Inc. ("ESI")
Firm CRD# 325803
**Registered Broker Dealer*

Principal Office Address (except ESI):
One North Wacker Drive, Suite 1925
Chicago, IL 60606

Mailing Address (for all):
1000 Chesterbrook Boulevard, Suite 250
Berwyn, PA 19312

All the above affiliates are wholly owned subsidiaries of Envestnet, Inc. (NYSE: ENV), whose principal business address is 1000 Chesterbrook Boulevard, Suite 250, Berwyn, Pennsylvania 19312.

FIDx Markets LLC*
Firm CRD# 322769
1000 Chesterbrook Boulevard, Suite 135
Berwyn, PA 19312

Ategenos Capital LLC*
Firm CRD# 326708
801 Cassatt Road, Suite 211
Berwyn, PA 19312

** Envestnet, Inc. holds a controlling interest in both FIDx Markets and Ategenos Capital.*

Envestnet serves as the investment advisor to a mutual fund family, the PMC Funds, which consists of the PMC Core Fixed Income Fund and the PMC Diversified Equity Fund (information available at www.investpmc.com/solutions/portfolios).

Envestnet also serves as the investment adviser to the following proprietary ETFs: ActivePassive™ Core Bond ETF, ActivePassive™ Intermediate Municipal Bond ETF, ActivePassive™ International Equity ETF, and ActivePassive™ U.S. Equity ETF (collectively, the "ActivePassive™ ETFs"). Additional information available at www.activepassive.com.

Conflicts of Interest

QRG shares facilities with affiliates and relies on ENV and other affiliates for various administrative support, including information technology, human resources, business continuity, legal, compliance, finance, enterprise risk management, internal audit, and general administrative support. QRG seeks to mitigate the potential conflicts of interest to ensure the Client's best interest by its governance structure and by maintaining policies and procedures that include, but not limited to, trading, portfolio management, and compliance program reviews.

QRG offers investment strategies that are based on various financial market indices. One or more indices may contain QRG's publicly traded parent company, Envestnet, Inc. (NYSE: ENV). To avoid the conflict associated with selecting an affiliated security, QRG does not include ENV in the investment strategies that track the applicable index.

Given the interrelationships among QRG and its affiliates, there may be other or different potential conflicts of interest that arise in the future that are not included in this section.

QRG's financial professionals receive a salary and a discretionary bonus based on their individual performance and the success of the firm. Our financial professionals are also compensated based on the revenue we receive from investments issued, managed, or sponsored by us or an affiliate. This is a conflict of interest because our financial professionals have an incentive to encourage a retail investor to increase the assets in a retail investor's accounts.

Envestnet, Inc. has a controlling interest and occupies board of director positions in Fiduciary Exchange LLC ("FIDx"). FIDx facilitates a program that integrates insurance solutions into the wealth management process on the Envestnet Platform. FIDx Markets LLC ("FIDx Markets"), a FINRA member broker-dealer and wholly owned subsidiary of FIDx, offers an outsourced insurance desk service for those advisers requiring a licensed and registered sales team for assistance with their clients' annuity transactions. Advisors enter into direct agreements with FIDx Markets, separate from the agreements in place with Envestnet, Inc. Although a related entity, QRG does not engage in the distribution, revenue, or annuity sales processes of FIDx Markets.

Envestnet, Inc. has a controlling interest in Ategenos Capital LLC ("Ategenos"). Ategenos offers registered investment advisory services specializing in providing multi-asset class investment solutions and concierge-level advisor service. Ategenos acts as a Model Provider on the Envestnet Platform.

Envestnet, Inc. has a financial interest and occupies board of director positions in Advisor Credit Exchange, LLC ("ACE"). ACE provides lending solutions to Advisors and their clients via the Envestnet Platform through QRG's affiliate, Envestnet Financial Technologies, Inc. Neither ACE nor Envestnet offers any loan products or makes any lending decisions. The funding and administration of all loans is undertaken by separate and unaffiliated financial institutions.

QRG's parent company, Envestnet, Inc. Is an investor in four service providers, Fiduciary Exchange, LLC, Advisor Credit Exchange, LLC, Trucendent LLC, and HealthPilot Technologies, LLC. (the "Exchanges"). Mr. Thomas Sipp, EVP, Envestnet Business Lines, is an investor in private funds invested in the Exchanges and therefore QRG and Mr. Sipp have a financial incentive to promote the use of the Exchanges to Advisors using the Envestnet Platform.

QRG's parent company, Envestnet, Inc., has a minority investment (less than 5%) in Dynasty Financial Partners, LLC. Dynasty and QRG's affiliates jointly offer financial advisors using the Envestnet wealth platforms an enhanced set of tools and services to help build and grow their businesses.

BlackRock, Inc.

Through a holding company subsidiary, BlackRock, Inc. ("BlackRock") owns a non-controlling interest in QRG's parent company, Envestnet, Inc. Funds managed by BlackRock also invest in QRG's publicly traded parent company, Envestnet, Inc. (NYSE: ENV).

QRG and its affiliates are engaged with BlackRock in several strategic initiatives to better integrate their respective financial wellness technologies and jointly offer these services to Advisors. Advisors using Envestnet's technology platform are not required to use any BlackRock software, applications, or products, and are not restricted from licensing and integrating other software and applications. QRG or its affiliates, and BlackRock may, from time to time, participate in joint marketing and financial professional educational events.

As part of its due diligence reports for Advisors, QRG's affiliate Envestnet reviews Funds affiliated with BlackRock and QRG also utilizes Funds affiliated with BlackRock in its investment strategies. While Envestnet has dedicated certain resources to review BlackRock affiliated Funds and streamline the operational processes for the availability of BlackRock Funds and strategies on Envestnet, these BlackRock affiliated Funds and strategies are subject to the same level of review that Envestnet applies to all Funds and strategies in the applicable category to mitigate the conflicts of interest. Envestnet may also collaborate with BlackRock to develop and offer co-branded investment strategies.

Other Funds and Investment Strategies

In addition to BlackRock, from time to time, third-party Funds, such as Funds affiliated with the Vanguard Group, Inc. ("Vanguard") and JP Morgan Chase & Co. ("JPMC"), become beneficial owners of 5% or more of QRG's publicly traded parent company, Envestnet, Inc. (NYSE: ENV) through the aggregation of holdings of their affiliated funds for whom they act as investment advisor or investment manager.

Conferences

QRG solicits sponsorship contributions from Fund and Sub-Manager and Model Providers, including but not limited to BlackRock Vanguard or JPMC, to defer the costs associated with Envestnet conferences and events. Depending on sponsor-level, contributors will be provided 'main-stage' sessions on technology and investments, and highlighted break-out sessions for Advisor and Institutional guests of the event. QRG may receive contributions in excess of the costs associated with the event.

QRG participates in Advisors' and Broker-Dealers' sponsorship programs and conferences and pays annual commitment fees for participation in such programs.

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

QRG personnel covered by the Envestnet Code of Ethics ("Covered Persons") must, at a minimum, comply with all applicable legal requirements, including applicable federal and other securities laws. Covered Persons may be held personally liable for any improper or illegal acts committed during their employment, and ignorance of laws and regulations is not a defense. Covered Persons must comply with the requirements of U.S. Securities and Exchange Commission ("SEC") Rule 204A-1 under the Investment Advisers Act of 1940, as amended, which imposes certain code of ethics obligations on investment advisers registered with the SEC.

QRG's code of ethics subjects Covered Persons to standards of business conduct and imposes a requirement to acknowledge written receipt of the code and amendments thereto, and to report violations of the code. Covered Persons are also required to pre-clear trades before directly or indirectly acquiring beneficial ownership in a limited number of securities, namely in (i) Envestnet, Inc. and (ii) a limited offering such as private placements, hedge funds, private equity funds and limited liability company interests. In addition, certain persons called "Access Persons" must pre-clear trades in additional securities before directly acquiring beneficial ownership in (i) an initial public offering (ii) any exchange traded equity or fixed income security (excluding securities issued by the U.S. Federal Government or other foreign federal issuance), and (iii) any other securities placed on a restriction list by the Legal Department. When a pre-clearance request is submitted by an Access Person, a determination will be made as to the transaction's appropriateness. If the trade appears unlikely to affect the market for the security, is clearly unrelated to the business of the Firm, and poses no conflict of interest with client trades, Compliance or authorized designee may grant approval. Access Persons also must provide periodic reports about their personal securities activities, including initial and annual holdings and quarterly transactions reports. They are also required to provide confirmations (or have their brokers promptly submit duplicate confirmations) of all personal securities transactions to the Compliance Department and are required to obtain written approval before they may invest in a limited offering (such as a private placement) or an initial public offering.

QRG employees or related persons may buy or sell securities that clients also own in their accounts. Investment decisions for QRG personnel may not be made at the same time or in the same manner as those made for clients. QRG or a related person of QRG may purchase or sell securities recommended to or purchased or sold for clients. Personal securities transactions by persons identified as access persons with QRG are subject to QRG's Code of Ethics. The Code of Ethics includes various reporting, disclosure, and approval requirements, described in the summary below. QRG designed these requirements to prevent or mitigate actual or potential conflicts of interest with Clients. The Code of Ethics applies not only to transactions by the individual, but also to transactions for accounts in which such person or the person's spouse, minor children or other dependents residing in the same household have an interest. Compliance with the Code of Ethics is a condition of employment.

In accordance with SEC rules relating to recordkeeping by investment advisors, QRG requires prompt reports of all securities transactions identified in the Code of Ethics as "Reportable Securities" transactions. QRG further requires that all brokerage account relationships be disclosed, that QRG receive duplicate confirmations of transactions and custodial account statements, and annual certifications of compliance with the Code of Ethics from all access persons. Employees classified under the Code of Ethics as Covered Persons are required to disclose all brokerage account relationships when the employee, or a related person living in the same household, retains ownership of shares issued by Envestnet, Inc. Transactions in U.S. government securities, banker's acceptances, bank certificates of deposit, commercial paper, high quality short-term instruments, including repurchase agreements, index-based futures/options, options/futures on treasury notes and bills or currency options/futures, shares of open-end mutual funds and commodities are excluded from the reporting requirements.

The responsibilities of QRG's Chief Compliance Officer (or designee) include overseeing the regular monitoring and verification of compliance of covered persons with the requirements of the Code of Ethics and reporting material violations to QRG's senior management. Covered transactions of QRG's Chief Compliance Officer will be approved by another officer (or designee) of QRG. In addition to reporting and recordkeeping requirements, the Code of Ethics imposes various substantive and procedural restrictions on Reportable Securities transactions. QRG's Chief Compliance Officer may recommend to management the imposition of more severe sanctions, including suspension of personal investing privileges, or termination of employment, in the case of certain types of violations.

A copy of QRG's Code of Ethics can be obtained by contacting QRG at 312-827-2800.

Item 12: Brokerage Practices

Best Execution

In placing orders for the purchase and sale of securities in client accounts, and directing brokerage to affect these transactions, QRG's primary objective is to obtain prompt execution of orders at the most favorable prices reasonably obtainable under the circumstances. In doing so, QRG considers a number of factors, including, without limitation, the overall direct net economic result to the client, the financial strength, reputation and stability of the broker-dealer or counterparty, the efficiency with which the transaction is effected, the ability to effect the transaction, the availability of the broker-dealer to stand ready to execute possibly difficult transactions in the future and other factors involved in the receipt of brokerage services. QRG and its affiliates utilize a global third-party service provider to assist in the review of equity trades for best execution purposes, and QRG's Best Execution Committee periodically reviews the execution quality obtained on behalf of clients. The nature of fixed income markets makes it more difficult to analyze best execution on a trade-by-trade basis, as fixed income securities often trade less frequently than securities such as equities and are frequently traded on a principal basis and not on exchanges. The Best Execution Committee actively monitors overall fixed income trading to identify any best execution trends.

Directed Brokerage

A client may instruct QRG to execute some or all securities transactions for its account with or through one or more broker-dealers designated by the client. In such cases, the client is generally responsible for negotiating the terms and conditions (including, but not limited to, commission rates) relating to all services to be provided by such broker-dealer.

Under these arrangements, we do not have any responsibility for seeking to obtain the best prices or any particular commission rates for transactions with or through any such broker-dealer for such client's account. The client should recognize that it may not obtain commission rates as low as it might otherwise obtain if we had discretion to select broker-dealers other than those chosen by the client and therefore may not receive best execution on transactions due to the client's direction. In addition, clients should be aware that they may not achieve executions of the nature, quality, speed, or price that might be obtained if we had discretion to select broker-dealers other than those chosen by the client and therefore may not receive best execution on transactions due to the client's direction. In addition, clients should appreciate that they will not be able to participate in aggregated orders submitted by ORG (discussed below). As a result of the foregoing considerations, accounts for which clients direct QRG to use a particular broker-dealer may incur higher costs and may not generate returns equal to accounts for which QRG has the discretion to choose the broker-dealer.

In certain circumstances (e.g., when the client comes to QRG through a broker-dealer), QRG has a conflict of interest between its duty to obtain best execution and its desire to obtain future referrals from the broker-dealer. QRG mitigates this conflict by adhering to our policy in respect of best execution. Where we place trades for a client's account and have discretionary brokerage authority, we do not take into consideration client referrals from a broker-dealer or third party in selecting broker-dealers to execute securities transactions. In following our policy to seek to obtain best execution, we may place securities transactions through broker-dealers that have referred clients to us.

Trade Rotation

QRG may facilitate strategies on multiple platforms as a model manager, meaning QRG delivers a model portfolio to various providers that then have discretion over the trade execution. In this case, QRG takes reasonable steps to ensure model portfolios hosted on different platforms are treated in a fair and equitable manner. Generally, QRG alternates between groups, by rotating model delivery on a monthly basis or when the strategies are rebalanced. When it is necessary for trades to be affected, QRG will initiate the trading process (internal, model delivery, client-directed brokerage) on a rotating basis. QRG will upload the models according to the rotation but does not take responsibility for ensuring trading of model portfolios where we do not have execution control.

Wrap Fee Accounts

QRG participates in wrap fee programs sponsored by affiliates or certain unaffiliated broker- dealers or program sponsors ("Program Sponsors"). In a wrap fee program, clients pay a single fee for investment management, trade execution and administrative and recordkeeping services.

While QRG may have discretion to select broker-dealers other than the Program Sponsor to execute trades for wrap accounts in a particular program, trades are generally executed through the Program Sponsor. A Program Sponsor may instruct QRG not to execute transactions on behalf of the wrap accounts in that program with certain broker-dealers. When a Program Sponsor restricts QRG in this way, it may affect QRG's ability to negotiate favorable commission rates or volume discounts, the availability of certain spreads, and the timeliness of execution. This may consequently result in a less advantageous price being realized by the account. QRG strives to treat all wrap accounts fairly and equitably over time in the execution of client orders. Depending on several factors, such as the size of the order and the type and availability of a security, orders for wrap accounts may be executed throughout the day. When orders are placed with broker-dealers, such trades may experience sequencing delays and market impact costs, which the firm attempts to minimize.

Order Aggregation

Although each client account is individually managed, QRG often purchases and/or sells the same securities for several accounts at the same time on a discretionary basis. QRG aggregates contemporaneous transactions in the same securities for clients. QRG aggregates trades at regular intervals throughout the day and considers all trades in a particular interval to be contemporaneous. When it does so, participating accounts are allocated the resulting securities or proceeds (and related transaction expenses) on an average price basis. QRG believes combining orders in this way is, over time, advantageous to all participants. However, the average price resulting from any aggregated transaction could be less advantageous to a particular client than if the client had been the only account in the transaction or had completed its transactions in the security before the other participants.

Trade Errors

On occasion, QRG or a broker-dealer will make an error when placing or executing a securities transaction on behalf of a client account. In accordance with its fiduciary obligation to each client, QRG will seek to correct any trade errors it makes promptly, fairly, and consistently. Errors may be corrected by either the purchase or sale of a security as originally intended, or in the form of monetary reimbursement to the applicable client account. QRG will not correct a trade error it makes in a manner which favors one client at the expense of another client. QRG will not intentionally profit or benefit from the correction of a trade error. Brokerage commissions from client transactions will not be used to correct trade errors QRG makes or compensate broker- dealers for erroneous trades.

Item 13: Review of Accounts

QRG portfolio managers regularly manage, monitor, and review client accounts. Portfolio managers are responsible for the suitability and appropriateness of holdings and transactions in light of the client's specific investment objective and strategy. The investment management team reviews accounts to ensure they conform with the client's specifications and evaluates each account's performance relative to the benchmark.

Although QRG reviews each client's account on a regular basis, there are facts and circumstances which may prompt ad hoc reviews. Significant market events affecting the prices of one or more securities held by a client, changes in investment objectives or guidelines of a particular client, or specific arrangements with particular clients or investors may trigger more frequent reviews of a particular client's account.

Clients receive statements from the custodian at least quarterly providing a detailed list of holdings with valuations and account activity as well as confirmations of all securities transactions from the clearing firm. In addition, clients may receive operational reports from QRG upon request or as required in the investment management agreement. Advisors are responsible for determining whether a strategy or investment is suitable, whether fees to the client are reasonable, and for determining whether a wrap account is appropriate for the individual clients. Please speak with your advisor for information on fees and the strategies available to you through QRG.

Item 14: Client Referrals and Other Compensation

Other than the compensation described in Items 5, 6, 10, and 12, QRG does not receive an economic benefit from anyone other than our clients for providing investment advice or other advisory services to our clients.

From time to time, we have arrangements where we compensate, either directly or indirectly, affiliated and/or unaffiliated solicitors for client referrals. The manner and amount of compensation would typically be negotiated on a case-by-case basis. We currently have an agreement in place to compensate our affiliate, Envestnet Asset Management, Inc., for client referrals. We do not currently have any solicitation arrangements with unaffiliated solicitors.

Item 15: Custody

Client assets are maintained by unaffiliated qualified custodians. QRG does not select custodians on behalf of clients. In addition, QRG does not recommend custodians to clients, nor does it require or request client assets to be maintained by specific custodians.

Clients generally receive quarterly statements from the broker-dealer, bank or other qualified custodian that holds and maintains custody of the specified client assets. Clients are encouraged to carefully review such statements and to compare such official custodial records to the quarterly performance summaries that QRG may provide to clients or their advisors. QRG summaries may vary from custodial statements based on different accounting procedures, reporting dates, or valuation methodologies for certain securities.

Item 16: Investment Discretion

QRG receives discretionary authority from the client during the onset of the advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised consistent with the client account's stated investment objectives. Investment guidelines and restrictions must be provided to QRG in writing.

When selecting securities and determining amounts, QRG observes the investment policies, limitations, and restrictions of the clients it advises. For registered pooled investment vehicles, QRG's authority to trade securities may also be limited by certain federal or country-specific securities and tax laws that require diversification of investments and favor the holding of investments made for a Fund account.

Certain client relationships are non-discretionary. In these cases, QRG executes transactions as specifically directed by the client.

Item 17: Voting Client Securities

Clients may delegate proxy voting authority to Envestnet as described in this Item. QRG does not vote proxies on behalf of Clients. Clients that have not granted Envestnet voting authority over securities held in their accounts will receive their proxies in accordance with the arrangements they have in place with their Advisors or other service providers.

Proxies must be cast in the best interests of the Client and/or shareholder. Since Envestnet is not in a direct relationship with Clients, and because Envestnet is not able to control when or how proxies are delegated to it, Envestnet relies on the Client's Advisor to know how a Client desires to vote its shares and to ensure that the delegation of proxy voting is in the Client's best interest. When delegating proxy authority to Envestnet, the Advisor is responsible for ensuring Client accounts at custodians are set to vote in the Client's best interest.

When delegating proxy authority to Envestnet, votes are generally cast in accordance with either Glass Lewis Investment Management ("Standard") or Glass Lewis ESG ("ESG") recommendations, as indicated on the custodial paperwork. If Glass Lewis does not provide a recommendation, Envestnet will vote in accordance with management recommendations. Envestnet does not take an independent position on any proxy ballot and is not able to 'customize' votes, including but not limited to, views on topic, entity, or ballot. Glass Lewis & Co. LLC is a neutral third party that issues recommendations based on its own internal guidelines.

Generally, Envestnet votes Client shares via ProxyEdge, an electronic voting platform provided by Broadridge Financial Solutions Inc. Additionally, ProxyEdge retains a record of proxy votes for each Client. Envestnet also utilizes www.proxyvote.com to process votes for paper proxies, as well as through Mediant, a third-party proxy voting processor. However, Mediant accounts for the minority of voting processed by Envestnet.

Glass Lewis does not consider specific client circumstances when providing Envestnet with its voting recommendations. Further, Envestnet is not able to cast votes outside of Standard or ESG recommendations, nor can Envestnet accommodate individual or ballot specific requests. Envestnet conducts general due diligence on the proxy advisor, Glass Lewis, including periodic random sampling of proxies voted by Envestnet to ensure that proxies are voted in accordance with Envestnet policies.

How Envestnet Votes Proxies

For proxies delegated to Envestnet, the client or Advisor can elect to vote in accordance with Glass Lewis recommendations via different ProxyEdge Identifiers. Whether the accounts vote Standard or ESG depends on the Product Identifier chosen by Client or Advisor when the custodial paperwork is completed. Custodians vary in how proxy voting is delegated, and it is recommended that Client work with Client's Advisor to determine how best to vote its proxies.

- In a UMA and MMA accounts, votes are cast at the account level and differences in proxy voting across sleeves within the UMA or MMA are not supported. Generally, Envestnet is considered the manager for a UMA if the account is traded by Envestnet, and all proxies within the UMA will be voted either Standard or ESG, but if you or your Advisor believes it is

in your best interest to vote the UMA differently, the option to move proxy voting away from Envestnet is an option.
- Sub-Managers exercising discretion over Client's account will vote proxies if voting authority is assigned at the time the custodial paperwork is completed. Envestnet is not able to advise if or how a third-party Sub-Manager has set up proxy voting on their strategies. Advisor can contact the Sub-Manager to determine how proxies are voted.
- Proxy voting authority should not be delegated to Envestnet unless Envestnet is also providing overlay management trading on the strategy/account (e.g., Envestnet proprietary strategies and Third-Party Models).

Clients within QRGs Sustainable QPs have the option to subscribe to iconik Securities, Inc. ("iconik"), a third-party proxy voting vendor that will submit Sustainable QP investors' proxy ballots based on the Client's voting preferences. Clients interested in these customized options should discuss this with their Advisors.

Clients have the right to revoke Envestnet's proxy voting authority at any time. In the event Envestnet's method of proxy voting does not satisfy the Client's preferences, Client or Advisor must redirect the applicable Custodian from sending Envestnet the proxies and vote the proxies away from Envestnet.

Upon request, Clients can receive a summary of Envestnet's proxy voting policies and procedures, Glass Lewis's proxy voting guidelines, iconik's proxy voting guidelines, or a copy of the record of how a proxy vote was cast by Envestnet by contacting Envestnet at 312-827-2800.

Class Actions and Legal Proceedings

Clients are responsible for acting on legal proceedings, such as bankruptcies and class actions, involving securities held in a Client's account.

Item 18: Financial Information

Registered investment advisers are required in this Item to provide certain financial information or disclosures about their financial condition. QRG has no financial commitments that impair its ability to meet its contractual and fiduciary commitments to clients and has not been the subject of any bankruptcy proceedings.