

ON A QUARTERLY BASIS, LOCKWOOD ADVISORS MAKES INQUIRIES OF THOSE PORTFOLIO MANAGERS THAT TRADE AWAY WITHIN THE LOCKWOOD WRAP PROGRAM.

EACH PORTFOLIO MANAGER IS ASKED TO RESPOND TO A SET OF QUESTIONS, SET FORTH BELOW.

ALL THE DATA HEREIN HAS BEEN DIRECTLY SUPPLIED BY THE PORTFOLIO MANAGER.

\*\*Minor text edits and data summation have been performed by Lockwood in some circumstance to keep the data in a uniform fashion for disclosure, as each Portfolio Manager provides details in various forms.

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**Section I: Frequency**

For each investment style, Portfolio Managers are asked to supply and confirm the frequency and volume of each style, for their trade aways:

- |       |                               |     |                                      |
|-------|-------------------------------|-----|--------------------------------------|
| (i)   | total number of trades        | vs. | total number trades done away;       |
| (ii)  | total numbers of shares/units | vs. | total number shares/units done away; |
| (iii) | total dollar value of trades  | vs. | total dollar value trades done away. |

**Section II: Total Cost**

Total of all added fees/costs associated with the stepped out trade.

(i.e. the mark-up, mark-down, added commissions, added fees, conversion fees or related costs)

**Section III: Assessment**

For EACH step out trade, please indicate the following:

- (i) Benefit Sought
- (ii) Benefit Realized

**Section IV: Conclusion**

An overall written assessment indicating if best execution was achieved (or not), with such conclusion explicitly in terms of the benefits sought/realized given the costs that were incurred.

**Trade Away Disclosure**  
 covering the period  
 January 1, 2018 - March 31, 2018

*ALL DATA HEREIN HAS BEEN DIRECTLY SUPPLIED BY THE MANAGER*

Manager's Style	Total Trades	Total Trades Away	Total Shares/Units	Total Shares/Units Away	Total Dollar Value of Trades	Total Dollar Value of Trades Away	Trade Away Cost
<b>Advisors Asset Management</b>							
U.S. Fixed Income Aggregate Bond	51	51	3,338	3,338	3,586,071.65	3,586,071.65	\$0
<p><a href="#">What was the benefit sought/realized for trading away?</a></p> <p><a href="#">Was best execution realized?</a></p>	<p>Advisors Asset Management ("AAM") has a Best Execution requirement that forces us to evaluate all bonds available when executing trades and not direct trades to specific Broker Dealers or Custodians. To accomplish this, we leverage our contacts to determine the most beneficial price available on any given day when executing trades.</p>						
<b>AllianceBernstein L.P.</b>							
U.S. Fixed Inc Int-Term Muni Bonds-Tax Aware	326	41	Response received but requested data not provided				\$0
US Fixed - Nat. Muni's, Long-Term							\$0
<p><a href="#">What was the benefit sought/realized for trading away?</a></p> <p><a href="#">Was best execution realized?</a></p>	<p>The Fixed Income SBU has established the Fixed Income Best Execution Committee, which is charged with, among other matters, reviewing brokerage activity. The Committee consists of senior members of the Fixed Income SBU as well as representatives from the Legal and Compliance Department and Operations. At its regular meetings, the Committee will review analyses and reports relating to broker performance and volume, trader documentation, discuss standards for counterparties and consider other matters relating to trade execution practices.</p>						
<b>Atlanta Capital Management Company</b>							
U.S. Equity Small Cap Value	2	1	3,609	2,995	\$ 241,015.30	\$ 142,946.56	\$0
<p><a href="#">What was the benefit sought/realized for trading away?</a></p> <p><a href="#">Was best execution realized?</a></p>	<p>Throughout the trading process, the Atlanta Capital trading desk, in the exercise of its reasonable judgment and in the client's interests taken as a whole, will determine if best execution is best maximized by executing directly with the sponsor or by trading away from the sponsor's desk and stepping back in to the sponsor with no additional fees (i.e. no commission fees, markup or markdowns). This decision is influenced by many factors including but not limited to market dynamics, stock specific characteristics, liquidity and execution capabilities of trading partners. Leveraging our relationship with our institutional broker/dealers allows access to "dark liquidity pools" that may reveal a natural contra trading partner. By merging the wrap order with our institutional block order and executing with a single broker, Atlanta Capital trading desk feels this process leads to better execution by limiting the number of trading partners working the same security which in turn significantly limits the possibility of information leakage and signals to the market of our position on a trade.</p>						
<b>BlackRock Investment Management, LLC</b>							
U.S. Fixed Income Total Return Muni Bonds	247	25	Response received but requested data not provided				

What was the benefit sought/realized for trading away?  
Was best execution realized?

Response received, but requested information pertaining to benefit sought/realized and their best execution practices was not received.

**Boyd Watterson Asset Management, LLC**

U.S. Fixed High Yield Bonds								
U.S. Fixed Income Aggregate Bond								
U.S. Fixed Income Interm Muni Bonds - State Specific								\$0
U.S. Fixed Income Intermediate-Term Muni Bonds								

What was the benefit sought/realized for trading away?  
Was best execution realized?

Response received, but requested information pertaining to benefit sought/realized and their best execution practices was not received.

**Brandes Investment Partners, L.P.**

Global Balanced	20	4	6,530	4,129	\$	224,817	\$	84,950	\$0
US Value	22	1	8,883	2,511	\$	439,239	\$	72,869	\$0.02 cps avg.
European Equity	62	29	91,320	41,806	\$	1,398,972	\$	648,515	\$0
Global Equity	30	9	104,464	89,336	\$	2,965,857	\$	2,090,769	\$0
Global Small-Mid	68	20	129,640	38,862	\$	1,958,799	\$	874,989	\$0.02 cps avg.
International Equity	104	61	168,233	146,933	\$	4,123,815	\$	3,455,612	\$0.0187 cps avg.
Emerging Markets Opportunities	42	10	41,893	15,010	\$	628,773	\$	201,139	\$0

What was the benefit sought/realized for trading away?  
Was best execution realized?

Response received and details regarding the benefit sought/realized and manager best execution practices are available upon request.

**Eagle Asset Management**

Special Fixed Income	32	32	137,000	137,000	\$	144,196.68	\$	144,196.68	\$0
Total Return Muni Fixed	92	92	1,130,000	1,130,000	\$	1,324,685.12	\$	1,324,685.12	\$0
U.S. Balanced Large Cap Core	33	33	103,750	103,750	\$	88,391.50	\$	88,391.50	\$0
U.S. Fixed Income Intermediate-Term Gov/Corp Bonds	162	162	499,000	499,000	\$	439,367.67	\$	439,367.67	\$0
US Balanced Core (50/50)	228	228	824,000	824,000	\$	739,672.38	\$	739,672.38	\$0

What was the benefit sought/realized for trading away?  
Was best execution realized?

Response received, but requested information pertaining to benefit sought/realized and their best execution practices was not received.

**Invesco Advisers, Inc.**

International Equity Core Markets Growth	176	6	4,995.00	204.00	\$	96,856.95	\$	9,466.27	Ranges from \$1 to \$397 added cost for foreign transfer taxes
Real Estate Investment Trust	14707	267	184,500	76,350	\$	7,861,999.11	\$	3,211,701.27	

Benefit Sought: Invesco's policy and fiduciary obligation is to seek best execution on each transaction undertaken on behalf of its clients. Traders may aggregate orders (for accounts that allow aggregation) and may trade away from WRAP sponsors when seeking best execution. Invesco's best execution process includes choosing a broker and executing the trade in such a manner that the total costs or proceeds in the transaction are the most favorable under the circumstances.

What was the benefit sought/realized

for trading away?

Was best execution realized?

Benefit Realized: Invesco's 1Q18 Transaction Cost Analysis sub-committee (a sub-committee of the Global Trading Oversight Committee "GTOC") met on August 16, 2018. All transaction cost data for the 2Q18 was reviewed by the Invesco Trading Research team and the Transaction Cost Analysis sub-committee. No outliers were identified related to the Lockwood account. The committee concluded that Best Execution was achieved / realized during the 2Q18.

**Lazard Asset Management**

Global Balanced Core Markets Value		3			
Global Equity Core Markets Value		3			
International Equity Broad Markets Value	1076	15	Response received but requested data not provided		0.03% of Notional Amount
International Equity Core Markets Value		14			
International Equity Regional Europe		10			
U.S. Equity Large Cap Value		1			

What was the benefit sought/realized for trading away?  
Was best execution realized?

Lazard Asset Management LLC seeks to execute transactions for Clients in such a manner that the Client's total cost or proceeds in each transaction is the most favorable under the circumstances in accordance with its duties pursuant to SEC guidance regarding best execution.

**Legg Mason Private Portfolio Group, LLC**

Balanced Income 70/30	28	28	1,643	1,643	\$	98,312.21	\$	98,312.21	
Global Equity Core Markets Value	162	6	18583	12091	\$	505,698.50	\$	354,329.24	
International Equity Core Markets Value	427	8	76480	50896	\$	1,335,287.10	\$	885,276.47	Ranges from \$0 to \$0.02 per share
Legg Mason All Cap Blend Portfolios (MDA0)	91	63	1,440	1,179	\$	85,653.07	\$	71,845.13	
Multi Cap Growth	222	2	44,255	6,341	\$	1,865,463.36	\$	860,757.25	
U.S. Equity All Cap Value	150	47	30851	14951	\$	1,259,368.83	\$	660,166.42	
U.S. Equity Large Cap Growth	232	20	11235	4540	\$	1,075,282.66	\$	674,988.37	

What was the benefit sought/realized for trading away?  
Was best execution realized?

As is more fully described in Item 12 of Legg Mason Private Portfolio Group, LLC's (LMPPG), Form ADV brochure, LMPPG executes all or substantially all "model change" trades on behalf of its managed account program clients as an aggregated block trade through a single broker-dealer instead of executing such trades with each client's sponsor firm or designated broker as LMPPG believes that handling such trades in such manner enhances its ability to obtain best execution for client accounts. Item 12 of LMPPG's Form ADV brochure also describes the trade cost analysis that LMPPG does on significant block trades in an effort to monitor that the block trading method utilized by LMPPG is consistent with its obligation to seek best execution for client transactions. The trade cost analysis includes any implied commissions paid as such charges are reflected in the total security price or proceeds.

**Lord, Abbett & Co., LLC**

U.S. Fixed Income Long-Term Municipal Bonds		Response received but requested data not provided		\$0
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Trades away from Lockwood do not incur any additional costs and typically provide the opportunity to reduce transaction costs. For selling bonds, each year we complete trades with over one hundred dealers so we can put them in competition to produce the best bid rather than relying on just one firm to provide liquidity. Similarly when we buy bonds we have access to the same number of dealers so we are able to select from the full range of new issues and bonds offered in the secondary market. Lord Abbett does not mark up or charge commission for trades, so we do not collect any profits from completing the transactions. The dealers we trade with include the size of their commission in the net price they are paying us so we do not control their markup but are able to monitor them through municipal bond market data in order to make sure they are fair. Commissions are typically smaller for larger institutional size trades and when dealers are put in competition for business, but we review the net prices to us to determine if the bid or offer is attractive for our clients. Any commissions that are charged generally come from the client's custodian, if they are charged at all.

What was the benefit sought/realized for trading away?  
Was best execution realized?

**Madison Investment Advisors, LLC**

U.S. Fixed Income Intermediate-Term Corporate Bonds	3	3	23,000	23,000	\$	23,141	\$	23,141	\$0
U.S. Fixed Income Intermediate-Term Gov't Bonds	162	162	2,098,000	2,098,000	\$	2,067,689	\$	2,067,689	\$0
U.S. Fixed Income Intermediate-Term Gov/Corp Bonds	553	553	6,040,000	6,040,000	\$	5,978,108	\$	5,978,108	\$0

100% of the trades we conduct for sponsor program accounts invested in our fixed income strategies are conducted as step-out transactions to avoid conflicts with principal/agency status of sponsor firms and to ensure best execution for clients. When we step-out trades for fixed income accounts, trading lists are sent to multiple dealers in order to get best execution. Dealers are not paid a fee for bond transactions, but instead are compensated by the bid/ask spread. As such, there are no additional costs beyond the bid/ask spread that are charged as a result of step-out fixed income transactions. We seek to buy/sell full positions, but markets occasionally require us to buy/sell partial positions. In such cases, allocation post-trade occurs and we will apply securities/proceeds pro rata across effected accounts. By aggregating the purchases or sales of a broader base of clients, including those who use other brokers and/or custodians, we may be able to find additional bonds available in larger blocks, resulting in better overall prices. We believe to have achieved best execution for the trades we conducted on behalf of Lockwood accounts invested in our fixed income strategies at no additional cost to clients.

What was the benefit sought/realized for trading away?  
Was best execution realized?

**Natixis Advisors, L.P.**

U.S. Fixed Income Inter-Term Gov/Corp Bonds	81	20	1,847,000	1,678,000	\$	1,826,871.00	\$	1,662,331.00	Ranges from \$0 to \$26 in total transaction fees
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Response received, but requested information pertaining to benefit sought/realized and their best execution practices was not received.

What was the benefit sought/realized for trading away?  
Was best execution realized?

**Nuveen Asset Management, LLC**

US Fixed Taxable Long Term	258	13	2,987,411	2,529,527	\$	49,200,845	\$	28,090,774	\$0
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Response received, but requested information pertaining to benefit sought/realized and their best execution practices was not received.

What was the benefit sought/realized for trading away?  
Was best execution realized?

**NYLIM - Mackay Shields LLC**

Convertibles All-Cap Core	164	62	Not provided	125,780		Not provided	\$	310,191.55	\$0
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The MacKay Shields convertible strategy employs the use of trade-aways for the majority of the trading done for all clients across all sponsor platforms. This is not limited to a particular quarter or a period of time, but has been and will be consistent as part of our trading strategy. The portfolio composition of convertible bonds varies between 80% and 90% of the model portfolio with the remainder being convertible preferred stock. We trade all the listed preferred that have sufficient liquidity with the sponsor platforms but trade the bonds exclusively with market makers with whom MacKay Shields has an established relationship with the convertible trading desks and who make markets for our securities. This is a specialized product and we aggregate the securities across accounts as well as sponsor firms to build larger blocks and get better pricing for all of our clients. Because many of the convertible bonds are difficult to execute, we employ this strategy to achieve best execution. As these transactions are mainly bonds or over the counter preferred stock there were no additional mark ups or commissions on these transactions beyond the structure of the customary bid / offer prices and we believe that these transactions were executed on behalf of our clients in such a manner that the clients' total cost or proceeds in each transaction was the most favorable under the circumstances. It should be noted that in seeking to maintain best execution on behalf of our clients, we may consider factors beyond simply price, commission rates or spreads, including the full range and quality of a broker's services in placing brokerage. These factors might include, among other things, the value of research provided, execution capability, financial responsibility, and responsiveness.

What was the benefit sought/realized for trading away?  
Was best execution realized?

**Pacific Income Advisers**

U.S. Fixed Income Intermediate-Term Gov/Corp Bonds	63	3	679,000	676,000	\$	679,740	\$	676,818	\$0
U.S. Fixed Income Total Return Gov/Corp Bonds	195	150	1,285,000	1,212,000	\$	1,271,886.00	\$	1,197,724.00	\$0

What was the benefit sought/realized for trading away?  
Was best execution realized?

[Manager] does not track benefits sought/realized, so I was unable to provide this information; however, [Manager] does have a best execution policy in place. [Manager] believes that we have achieved best execution for our clients by choosing the best price available for our trades, from brokers who are able to execute and settle trades in a timely manner.

**Polen Capital Management, LLC**

U.S. Equity Large Cap Growth	4,205	3,104	143,714	54,041	\$	16,758,759.01	\$	6,359,883.99	\$0
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What was the benefit sought/realized for trading away?  
Was best execution realized?

[Manager] believes we are better positioned to seek best execution for the Lockwood accounts when we can aggregate them with other accounts we manage, for no extra monetary cost. This reduces the risk of information leakage to the market, the potential price impact from the delay of having to execute trades at multiple sponsors, and the potential performance dispersion that could result from such delays. However, it is difficult for [Manager] to quantify this "benefit" (e.g., there is no single approach to placing Lockwood in a separate part of our trade rotation and, even if there were, [Manager] would not be able to predict whether the price would have been higher or lower). Again, given no costs were incurred as a consequence of our trading away, we believe we have been able to seek best execution for the accounts by trading away.

**Principal Global Investors, LLC**

Spectrum Preferred	997	20	83,996	3,880	\$	1,941,111	\$	99,106	\$0
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What was the benefit sought/realized for trading away?  
Was best execution realized?

\*Spectrum seeks to step out trades in order to facilitate the implementation of model revisions in a timely manner utilizing best efforts to achieve best execution. Most often these changes are most ideally executed immediately after a new security has been priced and begins trading in the secondary market. During this time period liquidity is at its optimum thereby ensuring complete execution of trades. Spectrum bears all the costs of these stepout executions with no mark ups, mark downs or commissions added to execution price. [Manager] indicated Benefit sought: "Implement Change in timely manner while liquidity is optimal and ensuring best execution." [Manager] indicated Benefit Realized: "Achieved"

**Riverfront Investment Group LLC**

Moderate Growth & Income	112	8	34,868	30,455		\$1,839,875		\$1,568,263	\$0 **Net
ETF Moderate Growth & Income	94	8	4,945	4,456		\$260,804		\$230,519	\$0 **Net
Dynamic Equity Income	1187	10	495,277	262,345		\$14,765,698		\$11,235,644	\$0 **Net
ETF Dynamic Equity Income	701	8	47,352	38,028		\$2,192,511		\$1,635,910	\$0 **Net

Global Allocation	616	8	81,440	37,114	\$4,595,396	\$1,988,296	\$0 **Net
ETF Global Allocation	866	8	42,126	23,525	\$2,464,812	\$1,324,770	\$0 **Net
Global Growth	86	5	10,616	8,003	\$581,642	\$429,092	\$0 **Net
ETF Global Growth	105	4	6,436	3,869	\$348,442	\$200,198	\$0 **Net

What was the benefit sought/realized for trading away?  
Was best execution realized?

Total Trades and Total Trade Away were not supplied by the Manager. Response received and details regarding the benefit sought/realized and manager best execution practices are available upon request.

**Thornburg Investment Management, Inc.**

International Equity Broad Markets Value	297	183	55,870	41,245	\$	1,015,640.41	\$	673,800.74	Ranges from (\$0.62) credit per share to \$0.39 cost per share
U.S. Equity All Cap Value	163	42	16,771	8,786	\$	484,529.87	\$	160,557.99	

What was the benefit sought/realized for trading away?  
Was best execution realized?

Prior to conducting each “stepped out” trade, Thornburg conducts an analysis to assess whether each proposed “stepped out” trade appears to be in the best interest of the client relative to the services provided that would be provided by the wrap sponsor if the wrap sponsor were to execute the trade. In conducting its analysis, Thornburg considers relevant factors, including but not limited to:

- the average daily volume of the security to be traded relative to Thornburg’s total order size;
- whether other Thornburg strategies will be simultaneously trading the same security;
- if the security to be traded is an ADR, whether the ADR or non-ADR line will provide more liquidity;
- availability of the wrap program sponsor’s trade desk when Thornburg seeks to execute trades during non-US trading hours;
- whether Thornburg is able to access natural/block liquidity;
- whether there are time constraints to execute the trade quickly, since trading through wrap program sponsors will typically cause the additional time to trade;
- whether the security’s price is volatile;
- whether information leakage to high frequency traders or other market participants caused by the wrap sponsors’ trading, may cause the security’s price to move unfavorably.

\*\* 'Net' indicates that the Portfolio Manager could not identify the exact cost as the execution prices netted any mark-up/down into the execution price.

^ Certain documentation that is physically mailed to clients, such as confirmations and statements, may result in additional charges and fees. In certain circumstances, if a Portfolio Manager trades away and the client is set up to receive paper confirmations, the added paper fees are imbedded in the cost of the transaction.

† Repeated failure of a Portfolio Manager to respond to requests for trade away information or if Lockwood determines the Portfolio Manager is not complying with its best execution obligations, will be escalated to Lockwood’s Investment Committee and may result in the Manager being removed from the Lockwood sponsored programs.