

Smith Asset Management Group, L.P.

100 Crescent Court, Suite 1150
Dallas, Texas 75201

214.880.4600

www.smithasset.com

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This Brochure provides information about the qualifications and business practices of Smith Asset Management Group, L.P. (“Smith Group”). If you have any questions about the contents of this Brochure, please contact us at 214.880.4600 or compliance@smithasset.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Smith Group is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of Smith Group provide you with information about which you determine to hire or retain Smith Group.

Additional information about Smith Group also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

Summary of material changes:

Item 4 – Smith Group updated Assets under Management.

Smith Group does not have any additional material changes to report for the prior twelve month period. The date of Smith Group's prior brochure update was June 1, 2013.

Currently, our Brochure may be requested by contacting John D. Brim, CFA at 214.880.4600 or compliance@smithasset.com. Our Brochure is also available on our web site www.smithasset.com, also free of charge.

Additional information about Smith Group is available via the SEC's web site www.adviserinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with Smith Group who are registered, or are required to be registered, as investment adviser representatives of Smith Group.

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Item 4 – Advisory Business

Smith Group is a registered investment advisory firm established in 1995.

Smith Group focuses on providing equity investment advisory services. Smith Group manages the investment and reinvestment of clients' assets through the investment in various securities including equities, and, in certain cases, money market instruments.

Currently the firm manages assets for a diverse list of clients that includes foundations, endowments, corporate pensions, public funds, multi-employer plans, as well as high net worth individuals.

Smith Group's principal owners (those owning more than 25% of the firm) are Smith Group Employee Partners I, LLC and Smith Group Employee Partners II, LLC. Stephen Spencer Smith, CFA, Founder, Chief Executive Officer and Chief Investment Officer of Smith Group is a principal owner of Smith Group Employee Partners I, LLC.

Smith Group uses a team of portfolio managers to provide advisory services to clients. Because Smith Group is primarily in the business of managing equity portfolios, the typical investment objective of our clients is to produce investment performance that exceeds that of a stock market benchmark. To ensure that portfolios are consistently managed a model portfolio approach is generally utilized and all clients utilizing the same investment strategy receive similar securities with appropriate consideration given to any client's specific restrictions and tailored needs.

Smith Group does and seeks to act as a portfolio manager for wrap fee programs. Smith Group employs the same model portfolio approach in the management of wrap fee program accounts as is utilized for non-wrap fee program accounts. Smith Group also does and seeks to serve as sub-advisor for unified managed accounts, multiple strategy portfolios, multiple discipline accounts, and other forms of model portfolio structures (collectively "UMA's"). Within these UMA's Smith Group generally does not have final security selection authority and serves in a sub-advisor role recommending security buys/sells and target position weightings to the client's advisor.

Investment Advisory Services to the Smith Group Funds:

Smith Group serves as investment adviser to the Smith Group Mutual Funds' two registered open-end investment companies in a series of Multiple Series Portfolios (the "Trust"). The goal of these Funds is to seek long-term capital appreciation. Smith Group also furnishes the Smith Group Funds with office space and certain administrative services and provides the personnel needed by the Hedges Funds.

As of January 31, 2014, Smith Group's assets under management were:

	U.S. Dollar Amount
Managed on a discretionary basis	\$ 2,611,880,718
Managed on a non-discretionary basis	\$ 0
Managed within a UMA structure	\$ 132,269,034
Total assets under management	<u>\$ 2,744,149,752</u>

Item 5 – Fees and Compensation

Client's pay Smith Group a fee for managing portfolios (the "Advisory Fee") which is based upon the market value of the portfolio, including cash equivalents, as determined at the close of the last day of each quarter. In some instances, clients pay monthly or use a daily average balance to calculate payments. The Advisory Fee will be computed quarterly in arrears and the client will either authorize Smith Group to withdraw the fees from the portfolio or will be billed for the fee.

Fees charged for separate accounts are based on the assets under management as selected by the client:

Fee Schedules (per annum):

Large Cap Focused Growth, Large Cap Defensive Growth, and Global Large Cap Equity –
(Fixed Rate)

1st \$10 million - 1.00% of managed assets

Next \$15 million - 0.75% of managed assets

All assets above \$25 million - 0.50% of managed assets

or

Large Cap Focused Growth, Large Cap Defensive Growth, Global Large Cap Equity, and Large Cap Diversified Growth –

(Variable Rate)

0.25% +25% of the excess return over the benchmark charged quarterly in arrears for the previous trailing twelve-month period.

For qualified clients, and at the client's option, the management fee may be charged as a combination of a percentage of assets under management plus a performance-based fee. The fees to be charged for this service will be determined by the client's individual circumstances and will never exceed 25% of the account's excess return over the benchmark. The actual fees will be disclosed to the client before entering into this type of arrangement. The percentage of assets under management will be billed quarterly, in arrears.

Clients who elect to terminate their contracts will be charged a performance-based fee based on the performance of the account for the measuring period going back from the termination date and pro-rated from the date on which the performance-based fee was last assessed. In measuring the client's assets for the calculation of the performance-based fees, Smith Group shall include: for the securities for which market quotations are readily available, the realized capital losses and unrealized capital losses of securities over the period and, if the unrealized capital appreciation of the securities over this period is included, the unrealized capital depreciation of securities over the period. The client should note that the performance-based fee arrangement may create an incentive for Smith Group to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Smith Group may receive increased compensation with regard to unrealized appreciation as well as unrealized gains in the client's account. The client must understand the proposed method of compensation and its risks prior to entering into the contract. Performance-based fees will only be charged in accordance with the provisions of Reg. 205-3 of the Investment Advisers Act of 1940.

Large Cap Diversified Growth and Dividend Growth –
(Fixed Rate)
All assets - 0.50%

Small Cap Diversified Growth, Small Cap Focused Growth, Small Cap Core/Value Equity, REIT/Income Equity and any other –
(Fixed Rate)
All assets - 1.00%

Smith Asset Management Group Large Cap Equity Fund, L.P. (please see Item 10 for additional information on the Funds) –
(Fixed Rate)
All assets - 1.00%

Wrap Fee Programs
(Fixed Rate)
All assets - 1.00%

Absolute Return Fund 1, LP
2.00% of the portfolio market value + 20% of the return, net of management fee, charged annually in arrears for the previous twelve-month period.

Absolute Return Fund1, LP Performance Fee

In addition to the management fee, each limited partner in the Smith Asset Management Group Absolute Return Fund (“Absolute Fund”) will pay Smith Group a performance fee (“Performance Fee”). The Performance Fee for a limited partner for a fiscal year is equal to 20% of the amount, if any, by which the net capital appreciation (less any net capital depreciation) otherwise

allocable for such year to such limited partner's capital account exceed any balance remaining in such limited partner's loss recovery account (as herein defined) as of the beginning of that fiscal year.

Smith Group may, however, in its sole and absolute discretion, waive the payment of all or part of the performance fee payable with respect to any Limited Partner (including persons employed by Smith Group and is affiliated) for the fiscal year Smith Group determines is appropriate.

Clients pay according to the stated fee schedule. Under certain circumstances, fees may be negotiated to a level either higher or lower than the stated fee schedule.

Portfolio values are computed quarterly based on the quarter end market value and multiplied by the applicable percentage/basis points. This amount is then divided by (4) and deducted from the portfolio value, unless client chooses to be billed for the fee.

Smith Group fees are exclusive of brokerage commissions, transaction fees, custodial fees and other related costs and expenses which may be charged by non-affiliated firms to transact trades and provide custodial services to the client. In addition, mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus.

Such charges, fees, and commissions are exclusive of and in addition to Smith Group's fee, and Smith Group shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that Smith Group considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

The variable rate fee offered for the Large Cap Focused Growth, Large Cap Defensive Growth, Global Large Cap Equity, and Large Cap Diversified Growth products is paid based on the performance produced within the client's account. Anyone considering the usage of this type of fee should be aware that it might encourage the manager to take an undue amount of risk with the client's capital in order to potentially increase the fee paid to the manager. Although Smith Group carefully monitors the risk level of each client's portfolio, the potential does exist for clients using the variable fee to have a higher risk level than if that fee were not used.

Termination

Client shall have the right to terminate the Investment Advisory Contract ("Agreement"), without penalty, at any time within five (5) business days after the effective date of the Agreement. Thereafter, either party may terminate the Agreement upon thirty (30) days written notice to the other party by certified or registered mail to the address set forth in the contract. In the event the Agreement is terminated, and the client has advanced any fees which have not been earned as of the effective date of termination, such unearned fees shall be refunded to the client.

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

In some cases, Smith Group has entered into performance fee arrangements with qualified clients: such fees are subject to individualized negotiation with each such client. Smith Group will structure any performance or incentive fee arrangement subject to Section 205(a)(1) of the Investment Advisors Act of 1940 (The Advisors Act) in accordance with the available exemptions there under, including the exemption set forth in Rule 205-3. In measuring clients' assets for the calculation of performance-based fees, Smith Group shall include realized and unrealized capital gains and losses. Performance-based fee arrangements might encourage Smith Group to take an undue amount of risk with the client's capital in order to potentially increase the fee paid to the Smith Group. Although Smith Group carefully monitors the risk level of each client's portfolio, the potential does exist for clients using the variable fee to have a higher risk level than if that fee were not used.

Item 7 – Types of Clients

Smith Group provides portfolio management services to individuals, high net worth individuals, banking and thrift institutions, investment companies including mutual funds, corporate pension and profit-sharing plans, multi-employer plans, other pooled investment vehicles, charitable institutions, corporations and businesses not listed above, state or municipal government entities, and UMA's.

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

Principal Investment Strategy: Growth, core/growth, and core oriented strategies – Large Cap Focused Growth, Large Cap Defensive Growth, Large Cap Diversified Growth, Dividend Growth, Global Large Cap Equity, Small Cap Diversified Growth, and Small Cap Focused Growth:

The specialized investment philosophy employed by Smith Group dates back to the late 1970s, at which time Stephen S. Smith, CFA participated in a study in conjunction with several researchers from the Finance Department of the University of North Carolina. The study focused on determining the market's efficiency in pricing of companies that report earnings greater than investor expectations also known as an earnings surprise. The conclusion was that the market was inefficient in its pricing of earnings surprises and excess return could be gained by investing in stocks that report an earnings surprise.

Smith Group applies an engineering approach to investment management. By leveraging technology and fundamental research, we identify companies with undiscovered growth potential, creating portfolios designed to produce attractive return patterns. Using both quantitative and qualitative analysis, we invest in high quality companies poised to accelerate earnings growth and exceed investor expectations.

Smith Group invests, under normal market conditions, in common stocks and other equity securities. These securities may be traded over the counter or listed on an exchange.

When selecting investments, Smith Group employs quantitative and qualitative analysis to identify high quality companies that it believes have the ability to accelerate earnings growth and exceed investor expectations. The security selection process consists of three steps. Beginning with a universe of stocks appropriate for the objectives of the investment strategy, Smith Group's investment team first conducts a series of risk control and valuation screens designed to eliminate those stocks that are more likely to underperform the market. Stocks that pass the initial screens are then evaluated using a proprietary methodology that attempts to identify stocks with the highest probability of producing an earnings growth rate that exceeds investor expectations. In other words, the investment team seeks to identify stocks that are well positioned to benefit from a positive earnings surprise. The first two screening steps produce a list of eligible companies that may be subjected to traditional fundamental analysis to further understand each company's business prospects, earnings potential, strength of management and competitive positioning. The investment team uses the results of this analysis to construct the portfolio for the Fund or client accounts.

Holdings in the portfolio become candidates for sale if the investment team identifies any negative investment or performance characteristics. Reasons to sell a stock may include: a negative earnings forecast or report, valuation concerns, company officials downward guidance on company performance or earnings, or announcement of a buyout.

Principal Investment Strategy: Value and core/value oriented strategies – Small Cap Core/Value Equity

Smith Group's Relative Value Investing (RVI) approach aims to identify stocks that are undervalued in relation to sector peers. RVI seeks to mitigate the unnecessary risk of sector concentrations inherent in conventional value investing. This is one of the risk controls protecting our clients from painful "value traps" along the way.

The RVI process invests, under normal market conditions, in U.S. common stocks and other equity securities. These securities may be traded over the counter or listed on an exchange.

The RVI process starts with a multifactor model used to rank companies within each sector on 1) valuation 2) valuation relative to growth and 3) sentiment. The model identifies stocks that are undervalued in relation to sector peers, and our fundamental analysis verifies the attractiveness of those stocks. Portfolios are then constructed and maintained using strict risk controls, including no significant sector tilts, controls for market cap bias, and limits on individual stock concentration. Our portfolios strive to maximize discounted

valuation and risk metrics relative to the benchmark, while maintaining in-line or better metrics in quality areas (e.g., lower debt, lower payout ratio, and higher return on equity).

Principal Investment Strategy: Smith Asset Management Group Absolute Return Fund

The investment objective of the Fund is to produce a risk-adjusted, total return that is relatively stable and meaningfully higher than the level of risk-free interest rates and to generate strong absolute rates of return with little correlation to market indices while maintaining a commitment to capital preservation. The philosophy underlying the Fund is that companies are attractive for investment if they exhibit improving business fundamentals, build their earnings in a credible and sustainable way and are attractively valued. Unattractive equity investments are those companies with deteriorating underlying business trends that exhibit low levels of earnings quality and are over-priced.

Principal Risks of Investing in Smith Group's investment portfolios

Since the portfolios predominantly hold equity securities, the portfolios are subject to the risk that equity security prices will fall over short or extended periods of time. Price volatility is the principal risk of investing in the portfolios. You could lose all or some of your investment in the portfolio. In addition, common stocks represent a share of ownership in a company, and rank after bonds and preferred stock in their claim on the company's assets in the event of bankruptcy.

All portfolios are also subject to the risk that their primary market segment may underperform other market segments or the equity markets as a whole. Moreover, Smith Group's investment approach may be contrary to general investment opinion at times or otherwise fail to produce the desired result, causing the portfolio securities to underperform securities that also seek capital appreciation but use different approaches to select stocks.

A principal risk of growth stocks is that investors expect growth companies to increase their earnings at a certain rate that is generally higher than the rate expected for other companies. If a growth company does not meet these expectations, the price of its stock may decline significantly, even if it has increased earnings. Growth companies also typically do not pay dividends. Companies that pay dividends may experience less significant stock price declines during market downturns.

The portfolios should only be purchased by investors seeking capital appreciation who can withstand the share price volatility of equity investing. Investing in securities involves risk of loss that clients should be prepared to bear.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Smith Group or the integrity of Smith Group's management. Smith Group has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

Smith Group is the general partner and the investment advisor of each of the following private funds. Smith Asset Management Group Large Cap Equity Fund, L.P. (“Large Cap Fund”), and Smith Asset Management Group Absolute Return Fund 1, LP, (each a “Fund” and, collectively, the “Funds”). Each Fund is exempt from registration as an investment company pursuant to Section 3(c)(1) of the Investment Company Act of 1940, as amended (“1940 Act”).

Smith Group Funds Information:

Smith Group serves as the investment adviser to the Smith Group Large Cap Core Growth Fund, and the Smith Group Small Cap Focused Growth Fund (“the Smith Group Funds”), each a registered investment company. In addition, various Smith Group Management officers and employees are personally invested in the Smith Group Funds. Accordingly, Smith Group is deemed to be a related person to the Smith Group Funds. Under certain conditions, Smith Group may invest advisory clients' assets in shares of the Smith Group Funds, but will not charge any advisory fees on those assets.

Item 11 – Code of Ethics

Smith Group operates for the purpose of providing investment management services to its clients. The firm has a code of ethics (“Code”) that governs the behavior of its employees. An important element of the Code is to ensure that client benefit overrides employee benefit in the area of obtaining a profit from investment ideas developed by Smith Group. The Code details the employee reporting and approval mechanism used to monitor the activities of employees. Occasionally employees may buy and/or sell securities for their own account when Smith Group holds the same securities in its clients' accounts. This practice is allowed as long as (a) proper documentation of this trading is reported and (b) the trading does not have a detrimental impact on any client's account.

In an effort to minimize any potential impact employee trading may have on client accounts, Smith Group has placed several restrictions on the trading activities of employees. Smith Group employees, directors and officers (each an “Access Person”), and their family members, may purchase or sell securities within the parameters for personal securities transactions stipulated in the Code. In addition, an Access Person must comply with the blackout period restrictions detailed in the Code. Generally, the blackout period restrictions prevent an Access Person from purchasing or selling, either directly or indirectly, any security in which the person had any beneficial ownership where the person knew that the security is being considered for purchase or sale by Smith Group on behalf of its clients or is being purchased or sold by Smith Group on behalf of its clients. The blackout period extends seven calendar days before and after the time that the same security is purchased or sold for any Smith Group client portfolio.

A copy of Smith Group's Code is available to clients and prospective clients upon request.

It is Smith Group's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. Smith Group will not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client.

Item 12 – Brokerage Practices

Brokerage Discretion

Smith Group makes investment decisions and arranges for the placement of buy and sell orders and the execution of portfolio transactions for each of the Funds and all other discretionary client accounts.

Smith Group in its sole discretion, unless otherwise provided, directs the execution of all securities transactions through broker-dealer firms of its own choosing. In some instances clients may direct Smith Group to place orders for execution whenever practicable with a specifically identified broker-dealer. If a client elects to direct securities transactions to a particular broker-dealer, Smith Group may not be able to obtain best execution and may not have the flexibility to negotiate commissions, which may result in increased commissions for that client.

Smith Group uses its best efforts to obtain execution of securities transactions at prices that are advantageous to the client and a reasonable, competitive commission rate. In choosing broker-dealers for execution of securities transactions, Smith Group considers various relevant factors, including without limitations, the size and type of the transactions, the nature and character of the market for the securities, the broker-dealer firm's financial stability, confidentiality, back office capabilities, trading desk capabilities, referrals, custody, settlement, familiarity with derivative securities strategies and the overall value and quality of the services offered by the broker dealer firm.

Smith Group receives research, statistical and quotation services, data, information and other services and materials that assist Smith Group in the performance of its investment advisory responsibilities from broker-dealer firms that execute transactions for Smith Group's clients. Where such services are provided, Smith Group has agreed to compensate such broker-dealer or third party in either "hard" dollars (directly paid by Smith Group), "soft dollars" (commission generated) or some combination of the two. A broker-dealer providing such research services may receive a commission that is in excess of the amount of commission another broker-dealer would have received for effecting that transaction provided Smith Group determines in good faith that such commission was reasonable in relation to the value of the research and brokerage services provided by the broker-dealer. Any such research service may be broadly useful and of value to Smith Group in rendering investment advice to all or a significant portion of its clients, or may be relevant and useful for the management of one client's account or only a few clients' accounts, regardless of whether such account or accounts paid commissions to the broker-dealer

through which the research service was provided. Smith Group will only make securities transactions that it in good faith believes are in the best interest of the client.

Trades executed on a discretionary basis are typically executed electronically at a commission of no more than five cents per share. A portion of this commission may be reserved and used to pay for research and trading related services used to manage the Funds and other clients' portfolios, in compliance with Section 28 (e) of the Securities and Exchange Act of 1934.

The exact amount paid is negotiated by Smith Group to be commensurate with the value of the brokerage service provided. This amount is typically higher than is available from brokerage firms which do not provide research services. Brokers are selected based on their ability to transact the trades with the best price and execution. These trading relationships are not exclusive and are subject to change at any time without notification. Smith Group conducts periodic analysis to measure transaction costs.

The research services which are paid for by trading commissions are selected because Smith Group believes they will add value to the client's portfolio. The vast majority of these services are databases of financial information which are used by the portfolio managers in the investment decision-making process.

When the cost of a research service exceeds the commission amount generated by an individual account, commissions are commingled with other accounts to pay for the research service. Soft dollar benefits are not limited to those clients who may have generated a particular benefit although certain soft dollar allocations are connected to particular clients or groups of clients.

Smith Group may allocate brokerage on the basis of the broker's agreement to pay all or part of certain research-related expenses. Smith Group will enter into such allocation arrangements, however, only where it determines that the commission charges are reasonable relative to the amount of expenses paid. In general, any and all brokerage allocations for Smith Group will be subject to principles of best execution and the other allocation policies described above as well as any restrictions imposed by applicable law.

Section 28(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), provides a "safe harbor" to investment managers who use commission dollars of their advisory accounts to obtain investment research, brokerage and other services that provide lawful and appropriate assistance to the manager in performing investment decision-making responsibilities, provided that the amount of any increased commission costs on account of such research or other services is reasonable relative to the value of the services provided. Smith Group will utilize allocations of commission dollars solely to pay for (1) certain expenses which would otherwise be borne by the Smith Group, as described above (and which therefore do not involve the conflict of interest issues normally presented by "soft dollar" arrangements covered by the Exchange Act) and/or (2) products or services that qualify as "research and brokerage services," within the meaning of Section 28(e), pursuant to arrangements that meet the other requirements of that Section.

In certain cases, Smith Group may deem research provided by the broker-dealer to be an important consideration when executing a trade. Subject to the Exchange Act, Smith Group may pay higher commissions than would be obtainable for execution by other broker-dealers where research is not obtainable in recognition of the value of the useful information provided by such brokerage firms. In paying the higher commissions, Smith Group will make a good faith determination that the higher commission is reasonable in relation to the value of the research and brokerage services provided viewed in the terms of either that particular transaction or Smith Group believes that access to independent research provided by brokers is an important resource for its research and investment processes; however, research services furnished or paid for by broker-dealers through whom Smith Group effects transactions for a particular client may be used by Smith Group in servicing its other clients, and not all such services may be used for the benefit of the client that pays the brokerage commission that results in the receipt of such research services.

Trade Allocations

Smith Group has adopted a trade allocation policy (“Policy”) to promote fair and equitable treatment for the advisory clients of Smith Group. The Policy applies to the allocation of securities purchased or sold by Smith Group on behalf of its clients, including those purchased or sold through an aggregation (“bunching”) of trades. The Policy is designed to minimize the risk that any particular client would be systematically advantaged or disadvantaged by the allocation of trades among clients. Smith Group may aggregate trade orders for clients if Smith Group deems it appropriate to do so and if such practices are not inconsistent with disclosures made to clients. Smith Group may consider various factors when determining whether an investment is appropriate for allocation, including, but not limited to: (i) the investment objectives of the client; (ii) the potential investment needs of the client; (iii) the existing diversification of the portfolio; (iv) existing levels of portfolio ownership in the investment and in similar types of companies; and (v) liquidity factors, including the availability of cash to fund the investment. Smith Group will typically make preliminary allocation determinations before placing a block order.

If a pre-allocated block trade is partially filled, Smith Group will allocate the securities among participating client accounts in the pre-allocation on a pro rata basis. Accounts in which Smith Group or any officer, partner or employee of Smith Group has a beneficial interest that in the aggregate exceeds 10% of the net assets of such account (“Affiliated Accounts”) may not participate in partial executions of a pre-allocated security transaction until after all non-affiliated, participating client accounts have been filled. Each Fund is expected to be treated as an Affiliated Account for a substantial period of time following its launch, and may remain as such indefinitely.

If a complete execution of a pre-allocated block trade occurs on a trade date, the purchased or sold securities will be allocated among the applicable accounts in accordance with the pre-determined allocation at a single average execution price, before taking into consideration the commission, mark-up or mark-down. Affiliated Accounts may participate in a complete execution of a pre-allocated block trade with unaffiliated client accounts if the Affiliated Accounts

participate at the same average execution price as the client accounts, before taking into consideration the commission, mark-up or mark-down.

In some instances, Smith Group may not make preliminary allocations prior to placing a trade order. In such instances, Smith Group will allocate those securities among suitable client accounts in an equitable manner, taking into account such factors as it deems appropriate. If there is a “partial fill” of client portfolio needs, Smith Group will allocate the order among client portfolios on a *pro rata* basis. However, Affiliated Accounts, including the Funds, may not participate in partial executions until after all non-affiliated client accounts have been filled.

For the purposes of the policy, *pro rata* trade allocation means an allocation of the trade at issue among applicable advisory clients in amounts that are proportional to the participating advisory client’s relative net assets.

Trades for non-discretionary accounts and UMA’s are generally executed after the trades for discretionary accounts have been completed.

Directed Brokerage

Smith Group seeks to implement all transactions in a manner consistent with best execution practices. Smith Group selects brokers based on their ability to provide the lowest available net execution price as well as efficient back office operations such as clearing and settling of trades. Smith Group will generally aggregate directed orders into a block order and use step-outs to satisfy certain clients’ restrictions to direct brokerage to preferred broker-dealers. In a step-out arrangement, Smith Group selects a broker to execute the block order and requires the executing broker to step-out a portion of the brokerage commissions to another broker. Step-outs permit Smith Group to seek to achieve best execution and the orderly transaction of the block trade, and at the same time satisfy client restrictions with regard to the direction of brokerage to desired broker-dealers. Smith Group has a substantial number of clients with directed brokerage arrangements.

If a client’s broker-dealer is unable to accept a step out, Smith Group implements a trade rotation policy. The trade rotation policy sequences each directed client that was not aggregated into the block order onto a rotating list defining the timing of order releases. The list is made up of all such directed accounts along with the block order. For purposes of speed, all directed clients who share a particular broker are assumed to be a single block on the trade rotation schedule. The execution of trades is rotated among the block order and the directed clients. If a trade for a particular rotation is not completed during the trading day, any remaining portion of the trade will be completed on the following day(s) before any trade in the same security may be initiated for the next rotation. After the trades have been completed, the schedule is moved up in order and the next broker is put first on the list for the next implementation of trades.

If a client decides to direct where its brokerage is placed by Smith Group, the client should consider: (1) Smith Group's brokerage placement practices; (2) a client who directs Smith Group

to use a specific broker may pay higher commissions on some transactions that might be attainable by Smith Group, or may receive less favorable execution of some transactions, or both; (3) a client who directs Smith Group may forego any benefit from savings on execution costs that Smith Group could obtain for its clients through negotiating volume discount on batched transactions; (4) a client who directs Smith Group may restrict Smith Group from receiving research-related products and services available from other brokers; and (5) clients directing commission may not generate returns equal to clients which do not direct commissions.

Consultant Payments

Occasionally clients use the brokerage commissions paid as a result of trading in their account to compensate their investment consultant. The Smith Group accepts these relationships under the following conditions: (1) The client must send written documentation requesting that their account's trades be conducted by a trading firm affiliated with the consultant, (2) Unless directed in writing to cease this trading relationship for any reason, including the client's determination that they are not receiving best execution, all trades will be directed to the firm affiliated with the consultant.

Item 13 – Review of Accounts

Smith Group uses a team of portfolio managers to review client accounts. The team includes the following principal portfolio managers and other portfolio managers from time to time:

Review of accounts

Smith Group uses a team of portfolio managers to review the client accounts. The team includes the following principal portfolio managers and other portfolio managers from time to time:

Stephen S. Smith, CFA- Founder, Chief Executive Officer and Chief Investment Officer; is responsible for overseeing the review process and implementation of the investment discipline within Adviser's client accounts.

John D. Brim, CFA- Senior Portfolio Manager; responsible for conducting the review process within the client accounts to which he is assigned and for participating as an active member of the portfolio manager team.

The account review process consists of the following steps:

1) Through discussions between the client and a member of the portfolio management team, the investment objective is established for each client relationship. Because Smith Group is primarily in the business of managing equity portfolios, the typical objective is to produce investment performance that exceeds that of a stock market benchmark.

- 2) On a daily basis, the portfolio management team monitors each individual investment to ensure that the investment is appropriate for the client's account.
- 3) If an investment is no longer appropriate, a member of the portfolio management team initiates the trading procedure, which replaces this asset with a more suitable investment.
- 4) The portfolio management team monitors the investment performance of the client portfolios on a daily basis to ascertain whether the client performance objective is being met.
- 5) The performance of each account is reported to the client on a mutually agreed schedule, usually at least quarterly.

Reporting

Smith Group will provide comprehensive portfolio performance reports to clients quarterly. These reports typically contain (1) a list of the assets held, (2) a report of the investment performance, and (3) information to help explain the performance. Such reports are usually sent to the client in the month after the end of the calendar quarters March, June, September, and December.

Reporting for the Funds

Smith Group will cause to be sent, within 45 days after the close of each quarter of each Fiscal Year of a Fund, to each person who was a Limited Partner of that Fund at any time during that quarter an unaudited account statement and any other information that Smith Group believes to be appropriate. In addition, within 120 days after the end of each Fiscal Year of a Fund, Smith Group will cause to be sent to each person who was a Limited Partner of that Fund at any time during that year a report, in narrative form, that summarizes the status of the Fund's business and activities during that year and that contains a balance sheet as of the end of that year and statements of operations, Limited Partners' equity, and changes in financial position for that year and accompanied by an auditor's report.

For the Smith Group Funds, Smith Group reports orally or in writing to the Trustees of the Trust not less than quarterly. These reports normally cover any matters of import on the Smith Group Funds pertaining to the investment of the Funds' assets and related matters. Annually, in conjunction with renewal of Smith Group's Investment Advisory Agreement with the Trust with respect to the Smith Group Funds, more extensive information is provided to the Trustees about Smith Group and the Smith Group Funds. The Trust also obtains reports on the Smith Group Funds and its portfolios on a regular basis from other service providers.

Item 14 – Client Referrals and Other Compensation

In addition to its own internal marketing efforts, Smith Group may enter into written agreements with other third-party marketers, and may also agree to pay compensation to any person or organization which the firm determines is instrumental to the acquisition and/or servicing of a client relationship. This payment will be borne solely by Smith Group, and will not increase the amount paid by the client for the services provided by Smith Group.

In accordance with Rule 206 (4)-3 of the Investment Advisers Act of 1940, as amended, Smith Group requires all third-party marketers to distribute to prospective clients (i) Part II of Form ADV of Smith Group, and (ii) the solicitor's disclosure statement.

Smith Group may, from time to time, make payments to firms or persons that offer Smith Group's services in a wrap fee, UMA or other managed account program. These payments may be for conference attendance, participation, sponsorship or exhibition fees; educational and training fees; or fees tied to program participation or for a specific marketing initiative within a program. Smith Group may pay travel, meal and other expenses for a firm's representatives and others who visit Smith Group's offices or other locations to learn about its products and services. Smith Group also may make charitable contributions or sponsor charitable events at the request of others.

Smith Group is not required to make such payments to firms as a condition of participating in a program.

These payments vary from firm to firm depending on, among other things, the amount of the program's separate account client assets under Smith Group's management. Clients should review their program sponsor's brochure (Schedule H of Form ADV) for a description of business arrangements between program sponsors and investment advisers.

Item 15 – Custody

Clients should receive at least quarterly statements from the broker dealer, bank, or other qualified custodian that holds and maintains client's investment assets. Smith Group urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 – Investment Discretion

Smith Group usually receives discretionary authority from the client at the outset of an 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 in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, Smith Group observes the investment policies, limitations and restrictions of the clients for which it advises. For registered investment companies Smith Group's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Investment guidelines and restrictions must be provided to Smith Group in writing.

The portfolio managers of Smith Group have discretion as to the stock selection made in client's account including (1) which securities are to be purchased and sold; (2) the amount of the securities to be traded; and (3) the timing for which trades are to be made. However, Smith Group's authority may be restricted by conditions placed by the client. These restrictions could include, but not be limited to, investing in specific companies or industries. Smith Group does not have access to any customer funds or securities since these will be held in custody at the client's selected broker/dealer, commercial bank, or other qualified custodian. In addition, neither Smith Group nor any affiliated person trades ahead of any stock selections made on behalf of a client's account.

For the Smith Group Funds, Smith Group discretion is limited by the terms of the Investment Advisory Agreement between Smith Group and the Trust relating to the Smith Group Funds, any specific instructions adopted by the Trustees of the Trust, the parameters and restrictions contained in the Smith Group Funds' combined Prospectus and Statement of Additional Information and additional provisions of applicable law. Smith Group monitors advisory accounts periodically for consistency with these limitations.

Item 17 – Voting Client Securities

Clients may obtain a copy of Smith Group's complete proxy voting policies and procedures upon request. Clients may also obtain information from Smith Group about how Smith Group voted any proxies on behalf of their account(s).

Proxy Voting Procedures

Smith Group has a written policy for the voting of proxies. Smith Group believes that voting client proxies is an important tool for maintaining long-term shareholder value for its clients in conjunction with the overall portfolio management process. This policy is designed to ensure that these ideals are effectively maintained in accordance with the client's best interests.

Policies and Procedures

Voting Responsibility and Oversight – An advisory committee has been established by Smith Group that consists of senior members of the management team as well as senior portfolio managers and the CCO. It is this committee's responsibility to construct Smith Group's overall voting guidelines as well as the procedures in order to ensure compliance. The committee meets quarterly to address ongoing issues and adapt guidelines to meet changes in the corporate governance environment.

To ensure proper implementation of Smith Group's stated proxy guidelines; Smith Group has adopted the following procedures for voting proxies.

- For each client with whom Smith Group has received stated proxy voting authority, as outlined in its advisory contract, the custodial bank or trustee has been instructed to forward proxy materials to Smith Group's designated voting delegate.
- Smith Group has contracted with a third party service provider to help with administrative functions such as collecting and sorting proxy materials. This relationship has been established to help Smith Group with the administrative and research portion of its proxy voting responsibility.
- Proxy items that do not fall under the stated guidelines set forth by Smith Group are reviewed on a case-by-case basis and voted in the client's best interest as determined by the proxy committee.
- Smith Group will make copies of its policies and procedures available to all of its clients upon request. Details on how a particular client's proxies were voted are also available on request.

Conflicts of Interest

There may be certain situations that arise where Smith Group's interests potentially conflict with the interests of the client. These situations could include:

- Smith Group provides advisory services to public firms that the company also owns in its clients portfolio.
- Smith Group, its affiliates, and/or its employees have business or personal relationships with public firms that Smith Group also holds in its client portfolios.
- Smith Group may be partially owned by a publicly traded company whose shares may also be held for its client's portfolios.

If these situations arise and management is soliciting proxy votes, the following guidelines will be applied:

If the proxy voting guidelines already determine a course of action, votes will be cast according to the guidelines.

If the proxy item does not fall under the specified guidelines or has been identified to be voted on a case-by-case basis, votes will be cast in accordance with an independent third party corporate governance consultant. The consultant has been contracted by Smith Group to provide guidance on proxy items determined to be in the best interest of Smith Group's clients.

Proxy Voting Record Keeping

Smith Group will maintain records of all policies, procedures and guidelines as well as any amendments or updates. In addition, Smith Group will maintain records of proxy votes recorded for each client and any documentation that was used to determine the basis on which to vote the specific item. Client requests for documentation will also be maintained by Smith Group in order to comply with current rules and regulations governing proxy voting.

The Smith Group Funds:

For the Smith Group Funds, the Board of Trustees of the Trust has adopted Proxy Voting Policies and Procedures, which delegate the responsibility for voting proxies to Smith Group as the Smith Group Funds' investment adviser, subject to the Board's continuing oversight. The Trust's Proxy Policies require Smith Group to vote proxies received in a manner consistent with the best interests of the Smith Group Funds and their shareholders. The Trust's Proxy Policies also require Smith Group to present to the Board, at least annually, Smith Group's own proxy policies and a record of each proxy voted by Smith Group on behalf of the Funds, including a report on the resolution of all proxies identified by Smith Group as involving a conflict of interest.

The Trust files a Form N-PX with the Smith Group Funds' complete proxy voting record for the 12 months ended June 30th, no later than August 31 of each year. Form N-PX will be available for all Smith Group Funds without charge, upon request, by calling the Funds toll free at 877-SMITH-65 / 877-764-8465 and on the SEC's website at www.sec.gov. Item 18 – Financial Information

Smith Group is required to provide you with certain financial information or disclosures about Smith Group's financial condition. Smith Group has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

Brochure Supplement for
Stephen S. Smith

Smith Asset Management Group, L.P.

100 Crescent Court, Suite 1150
Dallas, Texas 75201

214.880.4600

www.smithasset.com

March 31, 2014

This Brochure Supplement provides information about Stephen S. Smith that supplements the Smith Asset Management Group, LP (“Smith Group”) Brochure. You should have received a copy of that Brochure. Please contact us at 214.880.4600 or compliance@smithasset.com if you did not receive Smith Group’s Brochure or if you have any questions about the contents of this supplement.

Additional information about Stephen S. Smith is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Educational Background and Business Experience

Stephen S. Smith (born 1947) is a founding partner of Smith Group. Since the firm's founding in 1995, Mr. Smith has served as both Chief Executive Officer and Chief Investment Officer. Mr. Smith began his investment management career as a portfolio manager with Wachovia Bank in 1976. In 1983 he joined the predecessor to Bank of America, where he held a variety of senior investment management positions. His other work includes a stint with NASA as an aerospace engineer. Mr. Smith's educational background includes a B.S. in Industrial Engineering (graduating with honors) and an M.B.A., both received from the University of Alabama. Mr. Smith was awarded the Chartered Financial Analyst ("CFA") designation in 1981 and is a member of the CFA Institute. (The requirements to earn a CFA charter include passing all three exam levels of the CFA program and meeting certain professional and ethical requirements.)

Item 3- Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Smith Group, Stephen S. Smith or the integrity of Smith Group's management. Smith Group has no information applicable to this Item.

Item 4- Other Business Activities

Registered investment advisers are required to disclose all material other business activities of the Stephen S. Smith that would be material to your evaluation of Smith Group, Stephen S. Smith or the integrity of Smith Group's management. Smith Group has no information applicable to this Item.

Item 5- Additional Compensation

Registered investment advisers are required to disclose all material other forms of compensation of Stephen S. Smith that would be material to your evaluation of Smith Group, Stephen S. Smith or the integrity of Smith Group's management. Smith Group has no information applicable to this Item.

Item 6 - Supervision

The person responsible for supervising Mr. Smith's advisory activities on behalf of the firm is the Chief Operating Officer of the firm, John D. Brim. Mr. Brim can be reached at (214) 880-4600. Mr. Smith participates as a member of the firm's investment management team, which generally develops and reviews the firm's investment approach for each of its investment strategies. Mr.

Smith's investment advice is monitored by the team, and the firm's compliance officer. The firm's investment team typically meets weekly.

Brochure Supplement for
John D. Brim

Smith Asset Management Group, L.P.

100 Crescent Court, Suite 1150
Dallas, Texas 75201

214.880.4600

www.smithasset.com

March 31, 2014

This Brochure Supplement provides information about John D. Brim that supplements the Smith Asset Management Group, LP (“Smith Group”) Brochure. You should have received a copy of that Brochure. Please contact us at 214.880.4600 or compliance@smithasset.com if you did not receive Smith Group’s Brochure or if you have any questions about the contents of this supplement.

Additional information about John D. Brim is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Educational Background and Business Experience

John D. Brim (born 1967) joined Smith Group in March 1998 and is a senior portfolio manager, chief operating officer and chief compliance officer of the firm. From April 1997 to March 1998, Mr. Brim was a manager within the Institutional Investment Consulting Group of Deloitte & Touche, LLP. From June 1990 to April 1997, he held a variety of positions, including senior client manager, with NationsBank Asset Management in Dallas. Mr. Brim earned his B.S. in Economics from Texas A&M University. Mr. Brim was awarded the Chartered Financial Analyst ("CFA") designation in 1998 and is a member of the CFA Institute. (The requirements to earn a CFA charter include passing all three exam levels of the CFA program and meeting certain professional and ethical requirements.).

Item 3- Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Smith Group, John D. Brim or the integrity of Smith Group's management. Smith Group has no information applicable to this Item.

Item 4- Other Business Activities

Registered investment advisers are required to disclose all material other business activities of the John D. Brim that would be material to your evaluation of Smith Group, John D. Brim or the integrity of Smith Group's management. Smith Group has no information applicable to this Item.

Item 5- Additional Compensation

Registered investment advisers are required to disclose all material other forms of compensation of John D. Brim that would be material to your evaluation of Smith Group, John D. Brim or the integrity of Smith Group's management. Smith Group has no information applicable to this Item.

Item 6 - Supervision

The person responsible for supervising Mr. Brim's advisory activities on behalf of the firm is the Chief Executive Officer of the firm, Stephen S. Smith. Mr. Smith can be reached at (214) 880-4600. Mr. Brim participates as a member of the firm's investment management team, which generally develops and reviews the firm's investment approach for each of its investment strategies. Mr. Brim's investment advice is monitored by the team, and the firm's chief executive officer. The firm's investment team typically meets weekly.

Smith Asset Management Group, L.P.

Privacy Policy

March 2014

Our Privacy Principles

- We only collect customer information that we need in order to perform our investment management services.
- We do not sell customer information.
- We do not provide customer information to persons or organizations outside our firm for their own marketing purposes.
- We require any person or organization providing services to customers on our behalf to protect the confidentiality of your customer information.
- We afford prospective and former customers the same protections as existing customers with respect to the use of personal information.

Information We May Collect

To provide our investment management services, we collect nonpublic personal information about you from the following sources:

- Information we receive from you on applications, agreements, or other forms; and
- Information about your transactions with us, or others.

To facilitate trading the securities in your account, we may disclose nonpublic personal information about you to the following types of third parties:

- Financial service providers such as securities broker-dealers, your custodian bank, etc.

We may also disclose nonpublic personal information about you to nonaffiliated third parties as permitted by law, for example, outside auditors.

We may disclose the following information to companies that perform marketing services on our behalf:

- Information we receive from you on applications such as your name.

If you prefer that we not disclose nonpublic personal information about you to nonaffiliated third parties, you may opt out of those disclosures, that is, you may direct us not to make those disclosures (other than disclosures required by law or required to facilitate the fulfillment of duties in our role as investment adviser). If you wish to opt out of disclosures to nonaffiliated third parties, you may contact John Brim at (214) 880-4600 or john@smithasset.com, and request that your information be removed.

We maintain physical, electronic, and procedural safeguards to guard your nonpublic personal information. All written documents that contain personal information about you or your account are discarded and shredded.

Smith Asset Management Group

Proxy Voting Policy

March 2014

Smith Group votes proxies for all clients unless directed otherwise by the client in the advisory agreement or other client directive.

Smith Group has a written policy for the voting of proxies. Smith Group believes that voting client proxies is an important tool for maintaining long-term shareholder value for its clients in conjunction with the overall portfolio management process. This policy is designed to ensure that these ideals are effectively maintained in accordance with the client's best interests.

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