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Amended March 28, 2019
Form ADV Part 2 – Brochure

Item 1 – Cover Page

This brochure provides information about the qualifications and business practices of Chartwell Investment Partners, LLC. (“Chartwell”). If you have any questions about the contents of this brochure, please contact us at 610-296-1400 or info@chartwellip.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.

Additional information about Chartwell Investment Partners, LLC is also available on the SEC’s website at www.adviserinfo.sec.gov.

Chartwell Investment Partners, LLC is an SEC-Registered Investment Adviser. Registration with the SEC or any state securities authority does not imply a certain level of skill or training.

Item 2 – Material Changes

On April 6, 2018, TriState Capital Holdings closed an acquisition of approximately \$1 billion of client assets under management from Columbia Partners, L.L.C. As part of the acquisition, Chartwell acquired institutional client accounts with a mix of high-grade fixed income and large-cap equity assets, as well as a team of three experienced professionals.

In the future this item will discuss only specific material changes that are made to this Brochure and will provide clients with a summary of such changes. Our current Brochure may be requested by contacting the firm at 610-296-1400 or info@chartwellip.com.

Pursuant to SEC Rules, we will ensure that all clients receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. Additional information about Chartwell 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 Chartwell who are registered, or are required to be registered, as investment adviser representatives.

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Item 4 – Advisory Business

Chartwell Investment Partners, LLC (“Chartwell”) is a wholly-owned subsidiary of TriState Capital Holdings, Inc. Chartwell became effective as an SEC registered investment adviser on February 12, 2014 once acquired by TriState Capital Holdings and is continuing, uninterrupted, the advisory services previously provided by Chartwell Investment Partners, L.P. As of December 31, 2018, Chartwell managed a total of \$9.2 billion in assets on a discretionary basis. Chartwell does not manage assets on a non-discretionary basis.

Chartwell’s advisory services consist of selecting investments for clients while considering the client’s needs, including total return objectives, risk tolerance, other assets and obligations of the client, legal investment laws and other investment restrictions applicable to the client. Chartwell offers investment advice concerning a wide range of investment styles but predominantly advises clients regarding investments in U.S. securities. Chartwell will ordinarily apply one of several varied investment strategies to manage a portfolio of equity securities and/or fixed income securities. For individual investors, Chartwell may allocate assets among several varied investment strategies, including equity and fixed income securities, exchange traded funds and mutual funds, including funds advised by Chartwell.

Chartwell also participates in wrap fee programs by providing discretionary investment management services to the clients of these programs. Such clients may select Chartwell from a number of investment managers based on analysis, performed by the relevant program sponsor, of client’s goals and objectives and the compatibility with Chartwell’s investment philosophy.

The relevant program sponsors will pay fees to Chartwell based on the asset value of each client account. Generally, we manage wrap fee client accounts in the same manner as other client accounts investing pursuant to the same or similar investment strategy.

Chartwell also serves as an adviser or sub-adviser to investment companies registered under the Investment Company Act of 1940. The mutual funds may be one or more of the Chartwell Small Cap Value Fund, Chartwell Small Cap Growth Fund, Chartwell Short Duration High Yield Fund, Berwyn Income Fund or Chartwell Mid Cap Value Fund (Chartwell Funds), each a series of the Chartwell Funds Trust, an open-end management investment company organized as a Delaware statutory trust under the laws of the State of Delaware.

Clients may impose reasonable restrictions on Chartwell’s management of account assets. To the extent there are differences in client accounts, such differences would relate to the broker-dealer through which Chartwell places orders for execution. See Item 12, below, for a description of Chartwell’s practices in placing orders for execution for firm clients.

While Chartwell primarily offers investment management services, we generally do not enter into securities lending arrangements for our clients (other than for the Chartwell Funds, as defined below). Under typical securities lending arrangements, a manager loans a security held in a client’s portfolio to a broker-dealer in exchange for collateral. The client may earn potentially enhanced returns from these arrangements by collecting finance charges on the loan or by investing the collateral. Such returns are generally shared between the client and the securities lending agent, and the risk associated with the investment of collateral is generally borne by the client. On occasion, if instructed by a client, we may enter into securities lending transactions although Chartwell does not manage the investment of collateral in connection with such arrangements (other than securities lending arrangements for the Chartwell Funds). In these instances, we will have entered into a Master Securities Loan Agreement with a counterparty and the transaction must meet all the requirements under the agreement.

Some clients have established separate securities lending arrangements with their custodian. If a client has

entered into these arrangements, the client and its custodian are responsible for adhering to the requirements of such arrangements, including ensuring that the securities or other assets in the Account are available for any securities lending transactions. For Accounts that we actively manage, we execute transactions based on a number of factors, including market conditions and best execution, and generally do not consider factors relating to a client's securities lending arrangements, such as whether the Client's custodian may need to recall securities on loan to settle the sales transactions.

Certain pooled investment vehicles that we manage or sponsor ("Chartwell Funds") engage in securities lending, as described in their respective offering documents.

As part of its fiduciary duty to its clients and as a matter of best business practices, Chartwell has adopted policies and procedures for disaster recovery and for continuing business in the event of an emergency or a disaster. These policies are designed for Chartwell to continue providing services to clients in as short a period of time as possible. Chartwell's policies, under separate cover, are, to the extent practicable, designed to address those specific types of disasters that the firm might reasonably face given its business and location.

Chartwell management realizes that the rapidly changing nature of technology demands that a comprehensive security policy be developed and implemented to secure the confidentiality, security, integrity and accessibility of Chartwell's client information systems.

Further, management recognizes that in order to determine the appropriate type and scope of controls to deploy as part of the information security program, Chartwell must assess risks to its client information and systems, identifying reasonably foreseeable internal and external threats that could result in unauthorized disclosure, misuse, alteration, or destruction of client information or client information systems and evaluate the adequacy of policies, procedures, information security systems, and other practices intended to control the risks identified.

To ensure that information security risks are understood, and appropriate security systems are maintained, Chartwell management has adopted an Information Security Policy, under separate cover.

The primary purposes of Chartwell's Information Security Policy are to ensure that Chartwell management:

- Understands the risks and threats to which information systems are exposed,
- Evaluates the potential exposures to such risks/threats
- Implements appropriate information security systems and administrative, technical and physical security controls to mitigate such risks, threats and exposures, and tests the effectiveness of information security systems and controls.

Item 5 – Fees and Compensation

For investment supervisory services, Chartwell's fees (see fee schedules described below) are typically based on either the value of assets under management or a fixed fee, depending on factors such as the size and type of account. Chartwell's fees are negotiable. In certain circumstances, Chartwell may charge a performance fee in accordance with the requirements of Section 205 and Rule 205-3 under the Investment Advisers Act of 1940. See Item 6 below. Chartwell will aggregate assets from related accounts (e.g., accounts of family members or multiple accounts of a single institutional client) for the purposes of calculating the breakpoints used for those accounts and the fees we charge.

<u>Investment Strategy:</u>	<u>Fee Schedule:</u>		<u>Investment Strategy:</u>	<u>Fee Schedule:</u>	
Dividend Value Equity:	Up to \$10 million	0.70%	Strategic Issue High Yield Fixed Income	All Assets	0.60%
	\$10 - \$40 million	0.60%			
	\$40 - \$70 million	0.50%			
	\$70 - \$100 million	0.40%			
	Over \$100 million	0.25%			
Small Cap Value:	Up to \$20 million	0.90%	Intermediate Grade Fixed:	Up to \$20 million	0.30%
	Additional Assets	0.80%		\$20 - \$40 million	0.25%
Mid Cap Value:	Up to \$50 million	0.60%	Core Fixed:	\$40 - \$100 million	0.20%
	Additional Assets	0.50%		Over \$100 million	0.15%
Small/Mid Cap Value	Up to \$20 million	0.80%	Short Duration & Short Duration Corporate:	All Assets	0.20%
	Additional Assets	0.70%			
Small Cap Growth/ Mid Cap Growth:	Up to \$20 million	1.00%	Covered Call:	Up to \$40 Million	0.60%
	Additional Assets	0.70%		\$40-\$70 Million	0.50%
				\$70-\$100 Million	0.40%
Large Cap Growth	Up to \$10 million	0.70%	Additional Assets	Additional Assets	0.25%
	\$10 - \$40 million	0.60%			
	\$40 - \$70 million	0.50%			
	\$70 - \$100 million	0.40%			
	Over \$100 million	0.25%			
Core Plus Fixed:	Up to \$20 million	0.40%	<u>Individually Managed Account Program **</u>		
	\$20 - \$50 million	0.30%	Chartwell Berwyn Growth Strategy/Chartwell Berwyn Balanced Strategy	All Assets	1.00%**
	Additional Assets	0.25%			
High Yield Fixed:	First \$20 million	0.60%	<u>Mutual Funds:</u>		
	Additional Assets	0.50%	<u>Annual Operating Expenses*</u>		
High Yield Short BB Fixed:	First \$20 million	0.50%	Berwyn Income Fund	0.64%*	
	\$20-\$50 Million	0.40%	Chartwell Mid Cap Value Fund:	1.05%*	
	Additional Assets	0.30%	Chartwell Small Cap Value Fund:	1.05%*	
			Chartwell Short Duration High Yield Fund :	0.49%*	
			Chartwell Small Cap Growth Fund:	1.05%*	

*Advisor has contractually agreed to waive its fees and/or pay for operating expenses of the Funds to ensure that total annual Fund operating expenses do not exceed these percentages. The agreement is in effect until March 1, 2020.

****** The fee for certain retail and high net worth clients with individually managed accounts is generally 1% of the value of the assets under management. For individual bond holdings the fee is 5/8 of 1% and for bond mutual funds, including exchange traded funds, the fee is 3/8 of 1%. The fee for these accounts is negotiable.

The specific manner in which fees are charged by Chartwell is established in a client's written agreement with Chartwell. We will generally bill fees on a quarterly basis in arrears (i.e., following the applicable quarter period). Accounts initiated or terminated during a calendar quarter will be charged a pro-rated fee. Clients will receive quarterly invoices from Chartwell for such fees.

Chartwell may have a potential conflict of interest by investing client account assets into pooled investment vehicles and/or open-end mutual funds that we advise ("Affiliated Funds"). Chartwell and its employees receive an economic benefit for any investment of client assets in an Affiliated Fund since Chartwell receives advisory fees based on the growth of Affiliated Fund assets. However, no separate management fee is charged for any portion of the client's account invested in one or more of the Affiliated Funds.

Chartwell's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. 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 Chartwell's fee, and we do not receive any portion of these commissions, fees, and costs, except with respect to the management fee associated with investments in Affiliated Funds, as noted above.

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

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

An employee of Chartwell acts as the General Partner of Focus Limited Partners ("Focus"), a privately offered Limited Partnership for qualified investors. Focus invests in common stock and may hold shares of one or more mutual funds managed by Chartwell. The General Partner of Focus receives a performance fee. See item 10 below for more information on Focus.

Chartwell has other Supervised Persons who may manage accounts that are charged a performance-based fee and accounts that are charged another type of fee such as an asset-based fee. Chartwell recognizes that such fee arrangements create an incentive to favor higher fee-paying accounts over other accounts in the allocation of investment opportunities and that such fee arrangements may create an incentive to favor accounts for which the related persons may have personal capital investments. In order to address these potential conflicts, Chartwell has developed policies and procedures for allocating investments to clients in a fair and equitable manner. Chartwell has designed and implemented procedures to help ensure that

all clients are treated fairly and equally overtime, and to prevent this conflict from influencing the allocation of investment opportunities among clients. When consistent with the best interests of Chartwell's clients, orders being placed at the same time for the accounts of two or more clients may be "batched" or placed as an aggregated order for execution. This practice may enable Chartwell to seek more favorable executions and net prices for the combined order. Any orders placed for all accounts managed by Chartwell, including accounts of Chartwell or Affiliated Funds, may be aggregated or "batched" for execution subject to Chartwell's order aggregation and allocation policy and procedures. All portfolios included in an aggregated trade are allocated the same average price per share thereby eliminating the possibility of one portfolio being favored over another. See Item 12, page 13 below for further details of these procedures.

On a monthly basis, Chartwell's Finance and Performance Specialist, who is also a member of the Compliance team, oversees the institutional portfolio performance calculation process handled in Chartwell's Operations Department, and completes a spreadsheet of monthly portfolio returns for each institutional client in all investment styles. This spreadsheet is provided to the CEO, CFO, CCO, Director of Marketing and various investment personnel for their review. If anyone on the distribution list identifies performance dispersion between client accounts, Chartwell investigates the cause for the dispersion by reviewing the underlying transactional detail, holdings & security weightings by portfolio. This monthly process helps ensure that all institutional portfolios that are managed under the same investment product are treated fairly and equitably over time and traded in accordance with firm policy.

Certain retail accounts are reviewed by a member of the Trading Department and COO of the Retail Division according to their investment objective to ensure that the accounts' holdings correspond with the guidelines of that objective. Once any outliers are identified, the Trader, COO and a Portfolio Manager meet to review these portfolios and determine specific security transactions to bring these accounts back to the guidelines. The Trader has the responsibility to execute these transactions.

Accounts can, over a period of time, deviate from the guidelines for a number of reasons: cash flows into, or out of the account; a change in investment objectives, which may take time to achieve; restrictions placed on the account by the client or a new account transitioning to our investment universe.

Item 7—Types of Clients

Chartwell provides investment supervisory services on a continuous basis to a variety of individual, institutional, investment company, private fund and corporate clients. Chartwell is an adviser or sub-adviser to investment companies registered under the Investment Company Act of 1940. Each of the existing investment products have pre-determined capacity levels at which we feel the products can be effectively managed to reach maximum performance potential. A minimum account size of \$5 million can be waived at Chartwell's sole discretion.

Chartwell may also participate in model-based Managed Accounts Programs. In such programs, Chartwell shall provide the Program Sponsor non-discretionary investment advice through model portfolios. The model-based Program Sponsor is generally responsible for investment decisions and performing many other services and functions typically handled by Chartwell in a traditional discretionary Managed Account Program. Depending on the particular facts and circumstances, Chartwell may or may not have an advisory relationship with model-based program clients. To the extent that this Form ADV Part 2 is delivered to Program clients with whom Chartwell has no advisory

relationship or under circumstances where it is not legally required to be delivered, it is provided for informational purposes only.

Furthermore, because a model-based Program Sponsor generally exercises investment and brokerage discretion, performance and other information relating to Chartwell's services for which it exercises investment and/or brokerage discretion is generally provided for informational purposes only and may not be representative of model-based program client results or experience. Chartwell is not responsible for overseeing the provision of services by a model-based Program Sponsor and cannot assure the quality of its services.

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

Chartwell's methods of security analysis are both fundamental and technical in nature. The main sources of information used may include: financial newspapers and magazines, research materials prepared by others, corporate rating services, inspections of corporate activities, company press releases and annual reports, prospectuses and filings with the SEC, interviews with company executives and broker analysts. The investment strategies we use to implement any investment advice given to clients include: long term purchases (securities held at least a year), short term purchases (securities sold within a year), trading (securities sold within 30 days), short sales, margin transactions, option writing including covered options, uncovered options or spreading strategies. We offer investment advice concerning a wide range of investment styles but predominantly advise clients regarding investments in U.S. securities. These investment strategies involve varying degrees of risk. We select investments for clients while considering the client's needs, including total return objectives, risk tolerance, other assets and obligations of the client, legal investment laws and other investment restrictions applicable to the client.

Investing in securities involves risk of loss that clients should be prepared to bear. The significant risks are:

Securities Market Risk. This is the chance that securities prices overall will decline resulting in loss of portfolio value.

Illiquidity. This is the risk that we will be unable to sell a security within a reasonable timeframe due to low trade volume and lack of interest. Certain securities selected for investment in a portfolio may be deemed to be illiquid under applicable law. During periods of market turbulence or unusually low trading activity, in order to meet redemptions, it may be necessary for the portfolio to sell such securities at prices that could impact portfolio value.

Investment Style Risk. Some of our investment strategies involve investments in securities and other assets believed to be undervalued. The identification of such investment opportunities is a difficult task, and there are no assurances that such opportunities will be successfully recognized or acquired. While these investments offer the opportunities for above-average capital appreciation, they also involve a high degree of financial risk and can result in substantial losses. Returns generated from these investments may not adequately compensate for the business and financial risks assumed. Poor economic conditions and any future major economic recession can severely disrupt the markets for such investments and significantly impact their value. In addition, any such economic downturn can adversely affect the ability of the issuers of such obligations to repay principal and pay interest thereon and increase the incidence of default for such securities. Additionally, there can be no assurance that holders of these securities will ever come to realize the value of some of these investments or that they will ever increase in price. Furthermore, client accounts we manage using these investment strategies may be forced to

hold such investments for a substantial period of time before realizing their anticipated value. During this period, a portion of the account's funds would be committed to the investments made, which may prevent the account from investing in other opportunities we identify.

Short Sales. This type of investment program contemplates that a portion of the portfolio may be invested in selling securities short. Although the portfolio manager may sell short a variety of assets, he expects most short trades to be in equity securities and stock index futures. Short selling involves the sale of a security that the portfolio does not own and must borrow in order to make delivery in the hope of purchasing the same security at a later date at a lower price. In order to make delivery to its purchaser, the portfolio must borrow securities from a third-party lender. The portfolio subsequently returns the borrowed securities to the lender by delivering to the lender the securities it receives in the transaction or by purchasing securities in the open market. The portfolio must generally pledge cash with the lender equal to the market price of the borrowed securities. This deposit may be increased or decreased in accordance with changes in the market price of the borrowed securities. During the period in which the securities are borrowed, the lender typically retains his right to receive interest and dividends accruing to the securities. In exchange, in addition to lending the securities, the lender generally pays the portfolio a fee for the use of the portfolio's cash. This fee is based on prevailing interest rates, the availability of the particular security for borrowing and other market factors.

Theoretically, securities sold short are subject to unlimited risk of loss because there is no limit on the price that a security may appreciate before the short position is closed. In addition, the supply of securities that can be borrowed fluctuates from time to time. A portfolio may be subject to substantial losses if a security lender demands return of the lent securities and an alternative lending source cannot be found.

Options. Some of our investment strategies involve investments, from time to time, in options, including buying and writing puts and calls on some of the securities held by the funds in an attempt to supplement income derived from those securities. The prices of many options are highly volatile. The value of options depends primarily upon the price of the securities, indexes, currencies or other instruments underlying them. Price movements of options contracts are also influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. These investment portfolios are also subject to the risk of the failure of any of the exchanges on which their positions trade or of their clearinghouses or counterparties. The cost of options is related, in part, to the degree of volatility of the underlying securities, currencies or other assets. Accordingly, options on highly volatile securities, currencies or other assets may be more expensive than options on other investments.

Foreign Securities Risks. Although Chartwell typically does not make significant investments in foreign securities, we reserve the right to invest a small percentage of assets in foreign securities which may include depositary receipts. In the event that client-imposed guidelines do not allow such investments, we will restrict these types of securities from the client's portfolio in our portfolio trading system. Investment in foreign securities, particularly those traded on U.S. markets, can subject a portfolio to country and currency risk:

- **Country Risk.** This is the chance that world events such as political upheaval, financial troubles or natural disasters will adversely affect the value of securities issued by companies in foreign countries.
- **Currency Risk.** This is the chance that the value of a foreign investment, measured in U.S. dollars, will decrease because of unfavorable changes in currency exchange rates.

Risk is measured at both a security and portfolio level. Our portfolio management teams monitor the risk of individual securities by stock volatility, quality of earnings and sector volatility. Then at a portfolio level risk is monitored through several attributes including industry weight limits, price to earnings, market capitalization and estimated growth levels relative to indices. Chartwell looks at risk in many ways, but we do not manage our portfolios to specific risk targets.

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 Chartwell or the integrity of Chartwell’s management. Chartwell has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

Chartwell is a wholly owned subsidiary of TriState Capital Holdings, Inc. and an affiliate of TriState Capital Bank. James F. Getz is Chairman of Chartwell and serves as Chairman of the Board, Chief Executive Officer, and President of TriState Capital Holdings. TriState Capital Holdings, Inc. (NASDAQ: TSC) is a bank holding company headquartered in Pittsburgh, PA, providing through its wholly owned subsidiaries commercial banking, private banking and investment management services to middle-market companies, institutional clients and high-net-worth individuals. Its TriState Capital Bank subsidiary serves middle-market commercial customers through regional offices in Pittsburgh, Philadelphia, Cleveland, Edison, NJ and New York City, as well as high-net-worth individuals nationwide through its national referral network of financial intermediaries. It offers investment management services through Chartwell.

As Chartwell and TriState are in very different lines of business, investment advisory and lending, respectively, we deem the risk of conflicts to be very low. Chartwell does not use TriState Capital Bank for any of the investment management services that it provides to Chartwell clients. Chartwell does manage an investment portfolio for TriState Capital Bank on a non-discretionary basis and receives a nominal fee for these services, but this is neither related to nor does it impact any services that Chartwell provides to its other clients.

Chartwell TSC Securities Corp (“Chartwell TSC”) a Pennsylvania corporation headquartered in Pittsburgh, PA, is registered as a broker-dealer with Financial Industry Regulatory Authority and the U.S. Securities and Exchange Commission. The products and services marketed by Chartwell TSC Securities are issued or advised by its affiliates, Chartwell Investment Partners, LLC, an SEC-registered investment Advisor or TriState Capital Bank, a Pennsylvania chartered bank. Chartwell TSC is also a wholly owned subsidiary of TriState Capital Holdings, Inc.

Robert Killen, a Senior Portfolio Manager of Chartwell, is the General Partner of Focus Limited Partners, L.P. (“Focus”), a privately offered pooled investment vehicle (“Private Fund”) also referenced in Item 6 above. Focus invests in common stock including securities held in client portfolios and at times will hold shares of one or more mutual funds managed by Chartwell. Some of the limited partners of Focus are also clients of Chartwell inherited from the TKG acquisition in April 2016. Mr. Killen is entitled to receive a performance fee for his management services to Focus. Focus is neither traded on Chartwell’s trade desk, nor does it follow any of Chartwell’s investment strategies and Chartwell is not the Adviser of the Fund. Therefore, it is treated as an outside business activity and personal account of Mr. Killen.

Chartwell has policies and procedures in place to ensure that no favoritism is shown to the private fund by looking for potential front running, scalping or any other favorable treatment of the Private Fund's trades.

In addition, there are several incubator portfolios that are run by various Chartwell portfolio managers. These incubator portfolios are limited partnerships set up by Chartwell management for the purpose of incubating a new investment product, i.e. creating a track record of investing in a particular style that will ultimately be sold to clients. The incubators are generally funded by officers of the firm. See Trade Allocation and Aggregation Process in Item 12, page 13 below for how trading of these portfolios is handled alongside other institutional accounts.

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

Personal securities transactions by employees may raise potential conflicts of interest when such person's trade in a security that is owned by, or considered for purchase or sale for, a client. Chartwell has adopted policies and procedures, a Code of Ethics, reasonably designed to detect and prevent such conflicts of interest and to ensure that it effects transactions for clients in a manner that is consistent with its fiduciary duty to its clients and in accordance with applicable law. The Code of Ethics which covers all supervised persons of the firm includes: provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts, political contributions and business entertainment items, outside business activities and personal securities trading procedures including pre-clearance for all personal trading of covered securities and open-end mutual fund shares of funds for which Chartwell acts as adviser/sub- adviser. There are also blackout periods and specific consequences for different types of violations. All supervised persons at Chartwell must acknowledge the terms of the Code of Ethics upon initial hire and annually, or as amended and report their holdings to Compliance.

Chartwell's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting the firm at the address and/or phone number on the cover page of this Brochure.

Officers and employees of Chartwell have invested (and may in the future invest) in companies that offer their equity securities on a nonpublic basis, such as venture capital companies. These companies, in turn, make investments in other companies that issue nonpublic securities ("Portfolio Companies"). From time to time, the Portfolio Companies make public offerings of their securities and allocate a portion of these public offerings to the companies that originally invested in them. Ultimately, the public offerings flow through the investing companies to their shareholders. As investors in the investing companies, Chartwell's officers and employees are presented with opportunities to buy the public offerings issued by the Portfolio Companies and take advantage of these investment opportunities.

Similarly, officers and employees of Chartwell may invest in private companies that may offer their securities publicly and allot portions of their securities offered to the public to existing private-security holders. These opportunities to invest in public offerings (so-called initial public offerings or IPOs) may occur in any of the foregoing circumstances or others, such as the case when Chartwell makes a proprietary investment in one or more private entities (such as limited partnerships) that make investments in IPOs, directly or as a result of being an investor at the private stage of the IPO issuer.

In cases where these investments in IPOs are presented to the officers and employees of Chartwell, they are permitted to purchase the offerings with the pre-approval of Chartwell's CCO. Chartwell does not consider these investment opportunities to be investment opportunities available to its clients because declining the proportionate number of public offerings by the officers and employees does not affect the number of public offerings that can be made available to Chartwell's clients.

Chartwell does not generally recommend investments in the Affiliated Funds for clients' accounts. In the event that Chartwell would recommend such an investment, a conflict of interest would exist as Chartwell is entitled to receive advisory fees from its clients as well as the fees earned through the management of the Affiliated Funds.

In some cases, individually managed accounts may hold shares of Affiliated Funds. This is an option for clients who may not want to own individual securities or in the case of smaller accounts where the client wants to benefit from owning the securities in an Affiliated Fund. In these cases, as stated in Item 5 above, the client does not pay a separate management fee to the advisor over and above the fee earned through the management of the Affiliated Funds.

Item 12– Brokerage Practices

Broker Selection

Clients' investment advisory agreements authorize Chartwell to determine, consistent with the clients' investment objectives, which securities and the total amount of securities which are to be bought or sold for clients' accounts. Our primary objective in placing orders for the purchase or sale of securities for a client's account is to obtain the most favorable net results under the circumstances, taking into account such factors as price, commission, size of order, difficulty of execution and skill required of the broker. Therefore, we select brokers on the basis of best price (including commissions) and execution capability. We do not consider whether we or a related person receives client referrals from a broker-dealer or third party.

In selecting a broker to execute a transaction for a client, Chartwell may consider a variety of factors, including the following: the broker has the contra side of Chartwell's order; the broker's capital depth; the broker's market access; the broker's transaction confirmation and account statement practices; Chartwell's knowledge of negotiated commission rates and spreads currently available; the nature of the security or instrument being traded; the size and type of the transaction; the desired timing of the transaction; the execution, clearance and settlement capabilities of the broker selected and others considered; the reputation and perceived soundness of the broker selected and others considered; Chartwell's knowledge of any actual or apparent operational problems of a broker; and the reasonableness of the commission or its equivalent for the specific transaction. While Chartwell generally seeks competitive commission rates and dealer spreads, it will not necessarily pay the lowest commission or commission equivalent.

Transactions may involve specialized services on the part of the broker and thereby justify higher commissions or their equivalent than would be the case with other transactions requiring more routine services. It should be noted that Chartwell may place trades directly through ECNs (electronic trade networks) and ATs (alternative trading systems) when we believe that the transactions can be executed at lower or equal costs without sacrificing overall quality of execution.

A Brokerage Committee, including certain Chartwell officers and Portfolio Managers, is responsible for approving brokers and dealers for eligibility to place client trades and reviewing trade data. This Committee meets no less frequently than quarterly.

Chartwell selects investments for clients based solely on investment considerations, including whether the investments are suitable for the client and meet the client's investment objectives and guidelines. Chartwell prohibits cross trading on behalf of any of our clients, proprietary or sub-advisory clients. For clarity, this cross-trading prohibition applies to both agency trades (i.e.-the investment advisor acts as a broker for both the buyer and the seller in the transaction), as well as brokered trades (i.e.-the investment advisor, acting on behalf of two or more accounts under its management, places simultaneous purchase and sale orders for the same security with a single broker-dealer).

Managed Account Best Execution

Chartwell's obligation to obtain best execution (a combination of price and execution charges) is owed to all clients including those participating in wrap fee programs, the fee for which covers transaction charges only when participating client orders are placed through the sponsor of the program. Chartwell will place orders for wrap fee client transactions through broker-dealers other than the sponsor (that typically is a broker-dealer) when it can obtain best execution by doing so. However, it is likely that in most, if not all, cases Chartwell will place orders for wrap fee clients with the sponsoring broker-dealer in recognition that the client's wrap fee does not include transaction charges paid to non-sponsoring broker-dealers when orders are placed through them, and as such, wrap clients would effectively pay transaction charges twice. We consistently monitor best execution for all clients as well as those in wrap relationships and consider many factors in these evaluations including the fact that the client's wrap fee will not be reduced if the trade is executed away from the sponsoring broker-dealer.

Soft Dollars

Consistent with obtaining best execution for clients, Chartwell may direct brokerage transactions for clients' portfolios to brokers who provide research and execution services to Chartwell and, indirectly, to Chartwell's clients. These services are of the type described in Section 28(e) of the Securities Exchange Act of 1934 and are designed to augment Chartwell's own internal research and investment strategy capabilities, but Chartwell receives a benefit from these services because it does not have to produce or pay for the research, products, or services itself. Research services obtained through the use of soft dollars may include statistical or quotation services, including online services, as well as research reports and expertise for selected sectors & industries provided by third-party research firms. Chartwell does not attempt to put a specific dollar value on the services rendered or to allocate the relative costs or benefits of those services among clients, believing that the research it receives will help Chartwell to fulfill its overall duty to its clients.

Chartwell uses research services obtained in this manner for the benefit of all of its clients. Chartwell may not use each particular research service, however, to service each client. As a result, a client may pay brokerage commissions that are used, in part, to purchase research services that are not used to benefit that specific client. Brokers selected by Chartwell may be paid commissions for effecting transactions for Chartwell's clients that exceed the amounts other brokers would have charged for effecting these transactions if Chartwell determines in good faith that such amounts are reasonable in relation to the value of the brokerage and/or research services provided by those brokers, viewed either in terms of a particular transaction or Chartwell's overall duty to its discretionary client accounts. Chartwell may have an incentive to select broker-dealers based on its interest in receiving brokerage and/or research services, rather than on clients' interest in receiving most favorable execution.

Certain items obtained with soft dollars might not be used exclusively for either brokerage or research services. The cost of such “mixed-use” products or services will be fairly allocated between soft dollars (paid by clients) and hard dollars (paid by Chartwell), according to the proposed use. For example, the cost of a computer that is used for both research services and administrative purposes will be allocated between hard and soft dollars according to the percentage of time it is used for each purpose. Although such an allocation will not always be a precise calculation, Chartwell will make a good faith effort to reasonably allocate such services.

Directed Brokerage

In some circumstances, particularly with certain retail and high net worth clients, the client will designate a particular broker or dealer through which trades are to be effected or through which transactions may be introduced, typically under such terms as the client negotiates with the particular broker or dealer.

Where a client has directed the use of a particular broker or dealer, Chartwell generally will not be in a position to negotiate commission rates or spreads freely or, depending on the circumstances, to select brokers or dealers based on best execution.

Additionally, transactions for a client that has directed that Chartwell use a particular broker or dealer may not be commingled or “bunched” for execution with orders for the same securities for other managed accounts, except in situations where there are multiple clients using the same broker or to the extent that the executing broker or dealer is willing to “step out” such transactions to the client’s designated broker or dealer. Where “step out” arrangements are not possible or to the client’s advantage, trades for a client that has directed use of a particular broker or dealer may be placed at the end of bunched trading activity for a particular security. Retail clients who have directed brokerage may approve step out trades for fixed income trades, but equity trades are routed to the directed broker.

The direction by a client to use a particular broker or dealer to execute transactions may result in higher commissions, greater spreads, or less favorable net prices than might be the case if Chartwell were empowered to negotiate commission rates or spreads freely or to select brokers or dealers based on best execution. See “Managed Account Best Execution” section above for description of our brokerage practices regarding wrap fee accounts.

Trade Allocation and Aggregation Process

When consistent with the best interests of Chartwell’s clients, orders being placed at the same time for the accounts of two or more clients may be “batched” or placed as an aggregated order for execution. This practice may enable Chartwell to seek more favorable executions and net prices for the combined order. Any orders placed for all accounts managed by Chartwell, including accounts of Chartwell or Private Funds, may be aggregated or “batched” for execution subject to Chartwell’s order aggregation and allocation policy and procedures. All portfolios included in an aggregated trade are allocated the same average price per share thereby eliminating the possibility of one portfolio being favored over another. If trade executions/fills are required over multiple days to satisfy a trade order to achieve a target position weighting, each portfolio is allocated the same market weighting and same price per share from each execution/fill. This policy and these procedures are designed to meet the legal standards applicable to Chartwell under federal and state securities laws and the Employee Retirement Income Security Act of 1974 and its obligations as a fiduciary to each client.

Whenever possible, we execute block trades for all portfolios managed within the same investment product, and in these cases, all portfolios receive the same average price per share and the same asset weighting of the security being traded. In the case of certain retail clients, the average price per share is

used as well for aggregated trades but the individual costs may differ because each client negotiates commissions with the broker independently. Institutional and mutual fund accounts are traded side-by-side in these block orders. In cases where separate block trades are required (dictated by wrap account trading through sponsoring broker-dealers for example), we will generally execute these separate trades for all accounts simultaneously, or in a reasonably similar time frame, with no rotation. When the amount of assets in a particular investment product could each potentially cause market impact and/or security liquidity issues if traded simultaneously, we employ a simple rotation of block trades between all accounts. When trading for multiple wrap sponsors for the same investment product, we employ a random rotation of program sponsors. In the case of model-based programs, models are time stamped and sent via-email to the proper programs as part of the rotation described above.

In the rare case that an Affiliated Fund and one or more long only products are trading the same security on the same day, shares are allocated on a pro-rata basis based on market value until our desired weightings for each portfolio are achieved, and all portfolios obtain the same average price. We do not permit an Affiliated Fund to short stocks that are held long in any of our long only products. If an Affiliated Fund holds a short position at the time a long only product buys the stock, we allow that Fund to maintain that short position or close out the short position, but do not permit the Fund to further increase its short position until the long only product no longer holds the security.

Model Portfolio Investment Procedures

As described above, Chartwell participates in model-based Managed Accounts Programs. The recommendations implicit in the model portfolios that Chartwell provides to the Program Sponsor may reflect recommendations being made by Chartwell contemporaneously to, or investment advisory decisions made contemporaneously for, Chartwell's similarly managed discretionary clients. As a result, Chartwell may have already commenced trading before the Program Sponsor has received or had the opportunity to evaluate or act on Chartwell's recommendations. In this circumstance, trades ultimately placed by the Program Sponsor for its clients may be subject to price movements, particularly with large orders or where the securities are thinly traded, that may result in model-based Managed Account Program clients receiving prices that are more or less favorable than the prices obtained by Chartwell for its discretionary client accounts. On the other hand, the Program Sponsor may initiate trading based on Chartwell's recommendations at the same time Chartwell is trading for its discretionary client accounts. Particularly with large orders where the securities are thinly traded, this could result in Chartwell's discretionary clients receiving prices that are more or less favorable than prices that might otherwise have been obtained absent the Program Sponsor's activity. Chartwell generally seeks to minimize the market impact of the recommendations provided to the Program Sponsor on accounts for which Chartwell exercises investment discretion. However, because Chartwell does not control the Program Sponsor's execution of transactions for the Program Sponsor's client accounts, Chartwell cannot control the market impact of such transactions to the same extent that it would for its discretionary client accounts.

Item 13 – Review of Accounts

Chartwell's Investment Committee comprised of portfolio managers and analysts of the various investment strategies review each account periodically. In addition, all accounts will be assigned to at least one member of the Investment Committee or portfolio management team that will typically review accounts on a daily basis. There will be regular portfolios reviews during which the assessment of each account will be reviewed, and the overall market and portfolio issues discussed.

Institutional clients will receive a written quarterly statement of his portfolio detailing the performance of

the account along with discussions of certain positions in each portfolio. To the extent that any account is audited, the results of that audit will be provided to the client on an annual basis. Retail clients will receive performance results upon request or in cases where the client requests an in-person meeting with the Advisor.

Item 14 – Client Referrals and Other Compensation

Any solicitation or referral arrangement involving a third party will comply with applicable laws that govern the nature of the service, fees to be paid, disclosures to clients and any necessary client consents.

Item 15 – Custody

Chartwell does not maintain custody of client assets that it advises (although we may be deemed to have custody of client assets if the client gives us authority to withdraw assets from the client's account or pursuant to a standing letter of instruction to a qualified custodian to direct client funds to third parties). Client assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. However, it is important to note that clients should also compare the account statements received from their custodian with those received from us. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 – Investment Discretion

Clients' investment advisory agreements give Chartwell discretionary authority to determine, consistent with the clients' investment objectives, which securities and the total amount of securities to be bought or sold for clients' accounts. The first step in starting a new client relationship is the development of an appropriate investment policy statement and strategy. Once their objectives are defined, restrictions are identified, guidelines are determined, and a contract (investment advisory agreement) is drafted that details all pertinent issues. The client will then notify their custodian that we will be managing their account. We set up the new client in our accounting and trading systems and, depending on whether we receive cash or securities, begin the appropriate course of trading.

Item 17 – Voting Client Securities

Chartwell has adopted Proxy Voting Policies and Procedures ("Policies") to seek to ensure that it exercises voting authority on behalf of Chartwell clients, which include registered investment companies to which Chartwell serves as advisor and/or sub-advisor, in a manner consistent with the best interests of each client and its agreement with the client. These Policies apply where clients have delegated the authority and responsibility to Chartwell to decide how to vote proxies. Chartwell does not accept or retain authority to vote proxies in accordance with individual client guidelines with the exception of clients who wish their proxies voted in accordance with Taft-Hartley Proxy Voting Guidelines in accordance with AFL-CIO Key Vote Survey recommendations, as described below. Clients who wish to arrange to vote proxies in accordance with their own guidelines may elect to do so at any time by notifying Chartwell.

Investment Advisers Act Rule 206(4)-6 requires every SEC-registered adviser exercising proxy voting authority over client securities to:

- Adopt and follow written proxy voting policies and procedures;
- Provide clients with a summary of those policies and procedures;
- Let clients know how to obtain copies of the adviser’s proxy voting policies and procedures, as well as information about how the adviser voted their proxies; and
- Keep certain records relating to proxy voting.

Chartwell believes that voting proxies in the best interests of each client means making a judgment as to what voting decision is most likely to maximize total return to the client as an investor in the securities being voted and casting the vote accordingly. For this reason, Chartwell’s evaluation of the possible impact of a proxy vote on the economic interests of company shareholders similarly situated to Chartwell’s clients will be the primary factor governing Chartwell’s proxy voting decisions.

Chartwell has established a Proxy Voting Committee to oversee and administer the voting of proxies on behalf of clients. The Committee’s responsibilities include reviewing and updating these policies as may be appropriate from time to time; identifying and resolving any material conflicts of interest on the part of Chartwell or its personnel that may affect particular proxy votes; evaluating and monitoring, on an ongoing basis, the analyses, recommendations and other services provided by Institutional Shareholder Services (“ISS”), an independent proxy voting service, or another third party retained to assist Chartwell in carrying out its proxy voting responsibilities; when deemed appropriate by the Committee, consulting with Chartwell portfolio managers and investment professionals on particular proposals or categories of proposals presented for vote; and determining when and how client proxies should be voted other than in accordance with the general rules and criteria set forth in Chartwell’s Proxy Voting Guidelines or with the recommendations of ISS or another independent proxy voting service retained by Chartwell.

It is Chartwell’s policy not to exercise its authority to decide how to vote a proxy if there is a material conflict of interest between Chartwell’s interests and the interests of the client that owns the shares to be voted that could affect the vote on that matter. To seek to identify any such material conflicts, a representative of the Proxy Voting Committee screens all proxies and presents any potential conflicts identified to the Committee for determination of whether the conflict exists and if so, whether it is material. In the event the Committee determines that there is a material conflict of interest that may affect a proxy vote, Chartwell will request that the client to make the voting decision and will forward all proxy materials to that client.

Chartwell maintains a copy of the AFL-CIO Key Votes Survey which is a list of proposals and meetings based on the AFL-CIO Proxy Voting Guidelines. This list includes the company, item number, proposal, recommendation and date of the meeting. Chartwell votes in accordance with these recommendations and, as such, has an overall belief that voting in a pro-union manner on votes about which the AFL-CIO expresses its recommendation will have the most positive impact on shareholder economic interests.

Clients may direct Chartwell not to vote in accordance with the AFL-CIO Key Vote Survey and when directed in this manner, Chartwell will vote in accordance with client instructions or ISS recommendations (which, in turn, may or may not be the same as the AFL-CIO voting recommendation). In situations where ISS does not vote a proxy, Chartwell will vote in the best interest of the shareholders based on its knowledge of the company and issue(s) at hand.

We will update our proxy voting policies, procedures and guidelines from time to time as conditions dictate, and will make copies available upon request. A copy of our proxy voting policies and procedures, including our voting guidelines, is available by contacting Chartwell at the address and/or phone number

on the cover page of this Brochure. Clients may similarly contact us for specific record or information on how we voted proxies on their behalf. Chartwell should also be contacted if Chartwell is to be directed not to vote in accordance with AFL-CIO recommendations.

Item 18– Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about an adviser’s financial condition. Chartwell 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.