



Managers

INVESTMENT GROUP

Form ADV Part 2A – Disclosure Brochure

June 30, 2013

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This Form ADV Part 2A (the “Brochure”) provides information about the qualifications and business practices of Managers Investment Group LLC (“MIG” or the “Firm”). If you have questions about the contents of this Brochure, please contact us at 203.299.3500 or www.managersinvest.com. The information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about MIG is also available on the SEC’s website at www.adviserinfo.sec.gov. The SEC’s web site also provides information about any persons affiliated with MIG who are registered, or are required to be registered, as investment adviser representatives of MIG.

Although MIG is registered as an investment adviser under the Investment Advisers Act of 1940, such registration does not imply that MIG or our personnel have a certain level of skill or training.

Item 2 – Material Changes

This Item requires us to summarize any material changes to our Form ADV Part 2A since our last annual update on April 1, 2013. While we do not believe the following change is material, we have nonetheless summarized the change to the current Form ADV Part 2A below:

Item 4 – Advisory Business: We updated the information related to our Subadvisory Marketing business to reflect that the Firm does business as “AMG Distributors” for this line of business.

We also made certain other non-material changes throughout the form. If you would like a copy of our Form ADV Part 2A, please contact MIG via email at ADVrequest@managersinvest.com or in writing at:

Managers Investment Group LLC
Attn: Chief Compliance Officer
800 Connecticut Avenue
Norwalk, CT 06854

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Item 4 – Advisory Business

MIG is an investment advisory firm offering a range of investment strategies and products, including the Managers Funds Family of Funds (the “Funds”), for which MIG serves as the investment advisor and administrator, as well as our ManagersChoice[®] Asset-Allocation Models. Investment strategies and products offered by MIG offerings include the Funds, certain mutual funds sponsored by our AMG Affiliates (as defined below), and other investment strategies managed by certain of our AMG Affiliates, which are independent and autonomous proprietary investment advisory boutiques, as described further below.

Through the Funds, MIG provides investment advisory services to a wide array of clients, including high-net-worth individuals, corporate pension and profit sharing plans, public pension plans, charitable institutions, foundations, registered investment companies, endowments and 401(k) sponsors. Private investors wishing to utilize MIG’s services may do so through financial consultants, registered investment advisors, and other financial intermediaries, or directly through our mutual fund platform, the Managers Funds.

The Firm currently has approximately 108 employees in offices in Norwalk, CT; Chicago, IL; and Conshohocken, PA.

Assets Under Management

As of December 31, 2012, MIG managed approximately \$26.5 billion in client assets. MIG’s regulatory asset under management reported in Form ADV Part 1A and Part 2A does not include certain assets in the Firm’s ManagersChoice program. More detailed information on assets under management is included in our Form ADV Part 1A – Item 5.F.

Principal Ownership

MIG is a wholly-owned subsidiary and U.S. distribution arm of Affiliated Managers Group, Inc. (“AMG”), a publicly traded asset management company (NYSE: AMG) with equity investments in boutique investment management firms (“AMG Affiliates or “Affiliates”). Further information regarding AMG and AMG’s Affiliates can be found in Item 10 – Other Financial Industry Activities and Affiliations.

MIG’s predecessor firm was founded in 1986, and MIG was created in 2005 through the combination of The Managers Funds LLC and divisions of two other AMG Affiliates.

Advisory Services – Mutual Funds

MIG serves as the Investment Manager and Administrator to the Funds, which includes The Managers Funds, Managers Trust I, Managers Trust II and Managers AMG Funds comprising 36 funds as of December 31, 2012. Each of the Funds is a registered investment company of the series type, pursuant to the terms of a Fund Management Agreement. Each Fund has different investment objectives, policies and restrictions that are set forth in the Fund’s Prospectus and Statement of Additional Information (“SAI”).

As Administrator, MIG provides the Funds with office space, office equipment, legal and compliance support and personnel necessary to operate and administer their businesses, and supervises the provision of services by third parties. As Investment Manager, MIG oversees the provision of all general management, investment advisory and portfolio management services

for the Funds. MIG is responsible for establishing and overseeing the Funds and conducts extensive manager research to find what we believe to be the best investment firms available to serve as Subadvisors and make the day-to-day investment decisions for the Funds on a discretionary basis. MIG allocates the Fund's assets among the Subadvisors and then conducts ongoing portfolio monitoring of the Subadvisors' investment activities and results. MIG also conducts ongoing manager due diligence to assure the Subadvisors continue to be an appropriate choice to serve as Subadvisor to the Funds. Several AMG Affiliates provide investment management services to a number of the Funds.

MIG generally does not research or select the specific portfolio securities purchased by the Funds. Instead, as noted above, MIG allocates the assets of each Fund among one or more Subadvisors. Each Subadvisor has discretion to purchase and sell portfolio securities for the portion of a Fund that it manages within the parameters of the Fund's objectives, policies and restrictions. Although the Subadvisors' activities are subject to MIG's general oversight, the Firm does not evaluate the investment merits of the Subadvisors' individual investment selections. MIG reviews the overall structuring of each Fund's portfolio, monitors the performance of the Subadvisors and monitors their portfolio security selections for compliance with the Fund's investment objectives, policies and restrictions, as well as regulatory requirements.

MIG is responsible for researching Subadvisors for different classes of assets and investment styles. MIG's principal sources of information for evaluating Subadvisors include the qualitative and quantitative materials prepared by in-house research analysts, as well as information and assistance provided by independent third parties. These materials are based on in-person meetings and other communications with Subadvisors; computer databases concerning investment results of Subadvisors obtained by MIG; reviews of publicly available information contained in the financial press and other sources; Subadvisor-prepared information; and research and statistical materials prepared by others. MIG monitors all of the Funds' Subadvisors through an ongoing quantitative and qualitative evaluation of each Subadvisor's skills in managing assets subject to specific investment styles and strategies and periodically reports its findings to the Funds' Board of Trustees.

Any recommendation by MIG to hire or terminate a Subadvisor for the Funds is subject to the approval of the Funds' Board of Trustees. Additionally, the SEC has provided the Funds an exemptive order generally permitting MIG, on behalf of the Funds, to hire new unaffiliated Subadvisors for the Funds without prior shareholder approval, subject to shareholder notification within 90 days of the hiring of such Subadvisor.

Additional information regarding the activities and operations of the Funds is described in each Fund's Prospectus and SAI.

Asset Allocation Programs - ManagersChoice®

ManagersChoice is a series of globally diversified asset-allocation models. The models are constructed utilizing proprietary asset-allocation tools and implemented with investments in a diversified mix of Affiliated and unaffiliated mutual funds. ManagersChoice consists of twelve portfolios that span the risk/return spectrum. Each portfolio targets a specific risk tolerance, capital appreciation potential and income need, while incorporating consideration of time

horizon and, in several model portfolios, tax considerations. MIG's Investment Committee (the "Committee") comprises members of senior management and senior members of its Investment Research team, and is responsible for developing, monitoring and implementing the ManagersChoice model portfolios. The Committee employs proprietary asset-allocation tools and an extensive investment manager search and selection methodology with a system for structuring multiple-manager strategies into the various portfolios.

To participate in ManagersChoice, financial intermediaries, including registered investment advisers, financial planning firms, and broker-dealers (each, a "Financial Advisor" and collectively, the "Financial Advisors") execute an agreement with MIG (the "ManagersChoice Agreements"). The ManagersChoice Agreements provide for the Financial Advisors to take on certain responsibilities with respect to the investing of each client's assets through the ManagersChoice program.

Generally, the Financial Advisor is responsible for determining whether ManagersChoice is suitable for their client and for recommending a particular ManagersChoice model portfolio. The Financial Advisor is also responsible for regularly assessing the ongoing appropriateness of a particular model in light of their clients' changing circumstances and for ensuring that each client receives individualized management of their account.

MIG provides a number of tools to assist Financial Advisors, including an investor questionnaire that may be used to determine the appropriate model portfolio for each client based on the client's financial situation and investment objectives. MIG also provides online resources for Financial Advisors to create proposals, access accounts and produce customized client reports.

Depending upon the client's relationship, the Financial Advisor, the client or MIG may have discretionary authority to (i) decide which ManagersChoice Model in which to invest a client's assets, (ii) decide if and when to redeem or exchange investments, and (iii) provide certain other instructions regarding a client's ManagersChoice account. Discretionary authority is effective until changed or revoked in writing. A client may, at any time, impose reasonable restrictions on the management of its account or choose a new investment strategy.

Asset Allocation Programs - ManagersChoice - Direct

MIG also continues its ManagersChoice program for certain clients who have terminated their relationship with financial intermediaries, including registered investment advisers, financial planning firms, and/or broker-dealers. In these situations, each client will execute an agreement directly with MIG, which will be responsible for investing each client's assets through the ManagersChoice program.

Generally, under the ManagersChoice direct program, MIG is responsible for determining whether ManagersChoice continues to be suitable for the client and for recommending a particular ManagersChoice model portfolio. MIG is also responsible for regularly assessing the ongoing appropriateness of a particular model in light of each client's changing circumstances and for ensuring that each client receives individualized management of their account.

MIG provides a number of tools to assist in identifying specific client information including an investor questionnaire that may be used to determine the appropriate model portfolio for each client based on the client's financial situation and investment objectives. MIG also provides online resources for clients to access accounts and produce customized client reports.

MIG or the client may have discretionary authority to (i) decide which ManagersChoice Model in which to invest a client's assets, (ii) decide if and when to redeem or exchange investments, and (iii) provide certain other instructions regarding a client's ManagersChoice account. Discretionary authority is effective until changed or revoked in writing. A client may, at any time, impose reasonable restrictions on the management of its account or choose a new investment strategy.

Investments in Money Market Funds or Short-Term Investment Funds

In certain cases, MIG may utilize unaffiliated money market funds or other short-term investment funds generally offered by clients' custodians as temporary investment vehicles for its ManagersChoice accounts subject to applicable restrictions and as permitted by law. The use of unaffiliated money market funds for client accounts, either in "sweep" arrangements, for temporary investment purposes or otherwise, will result in certain advisory clients paying an investment management fee to the investment adviser of the unaffiliated money market fund in addition to an advisory fee to MIG. Client assets also may be invested in an unaffiliated money market fund for which MIG receives marketing and administrative services fees. MIG does not actively manage the residual cash in client accounts and generally will not be responsible for monitoring the unaffiliated money market fund or other short-term fund into which cash is swept

Other Services

In addition to the Advisory Services provided by MIG, the Firm has agreements with certain AMG Affiliates (and a transition agreement with one former Affiliate), under which MIG provides non-discretionary support services such as back office, trading execution support, administrative and/or marketing and client services to support the investment adviser's provision of advisory services through sponsored programs, including wrap programs. MIG is paid a fee by these investment advisers for these servicing agreements. Where MIG provides trade execution support services, the investment adviser retains full investment discretion over the client accounts, and the trading is done by MIG only as authorized and instructed by the investment adviser.

MIG also has entered into subadvisory marketing agreements with AMG Affiliates under which MIG markets the AMG Affiliates' advisory services to sponsors of subadvised funds or other platforms. MIG receives a fee from the AMG Affiliate if the Affiliate is engaged by the intermediary or other platforms. For this line of business, the Firm does business as "AMG Distributors".

MIG is the sole shareholder in Managers Distributors, Inc. ("MDI"), a limited purpose broker-dealer that serves as the distributor of the Funds. Certain employees of MIG and other AMG Affiliates that serve as subadvisors to the Funds are registered representatives of MDI. MIG and MDI may also provide administrative, marketing and distribution support service to AMG Affiliates, and MIG and/or MDI may be compensated by those AMG Affiliates that serve as

investment advisers to Affiliated mutual funds, for the servicing or distribution of those funds through various distribution platforms.

MIG also has agreements with investment advisers and fund distributors under which MIG provides, directly or through an agent, administrative, sub-transfer agent or other shareholder services related to shareholders of certain unaffiliated mutual funds.

Item 5 – Fees and Compensation

Standard Fee Schedule

Specific fees associated with funds or services MIG offers are typically set forth in the applicable fund prospectus, client advisory agreement or in the program materials, as applicable. Fees may be negotiated or modified in MIG's sole discretion in light of a client's special circumstances, such as assets levels, service requirements, client relationship with MIG or other factors. MIG may choose to waive any account minimum in its sole discretion or to charge a minimum fee or account maintenance fee or administrative fee, regardless of the size of the account.

MIG may agree to offer clients a fee schedule that is lower than that of any other comparable client investing in the same investment style. In addition, MIG may have historical fee schedules with longstanding clients that differ from those applicable to new client relationships. Other investment advisers may charge higher or lower fees than those charged by MIG for comparable service. Specific details surrounding how fees are charged may be found in the applicable client advisory agreement or program materials. Advisory fees may be subject to a specified annual minimum; however, MIG reserves the right to waive all or a portion of its management fee and negotiate minimum annual fees.

Funds

As noted in Item 4 – Advisory Business, MIG serves as the Investment Manager to each of the mutual funds of The Managers Funds Family of Funds, pursuant to the terms of a Fund Management Agreement.

Fees for mutual fund investments generally include two types – shareholder fees and annual fund operating expenses. Shareholder fees may include:

- Redemption fees (fees paid to the fund upon the sale of mutual fund shares);
- Exchange fees (fees charged for transferring to another fund within the same fund group);
- Account fees (account maintenance fees); and

Annual fund operating fees include:

- Management fees (fees paid to an adviser or its affiliates for managing the fund);
- Distribution fees (e.g., 12b-1) and/or shareholder service; and
- Other expenses (miscellaneous expenses, such as custodial expenses, legal expenses, accounting expenses, transfer agent expenses, and other administrative expenses).

The annual fees for the Funds are included in each Fund's Prospectus and SAI. Investment management fees for the Funds are determined based on investment style, asset class, and other factors.

Clients whose assets are invested in the Funds may pay some or all of the above fees. Information concerning the funds, including a description of the services provided and advisory and other fees can be found in each Fund's prospectus at www.managersinvest.com.

As compensation for its services as Investment Manager, MIG may retain a portion of the overall management fee charged to the Funds, which is computed daily as a percentage of the average net assets of the Fund, and may be paid monthly or quarterly. The remainder of the management fee is paid to the Funds' Subadvisors. The fee paid to each of the Subadvisors is paid out of the fee MIG receives from a Fund and does not increase the expenses of a Fund. Total management fees and individual Subadvisor fees are shown in the Prospectus and SAI for the Funds.

Asset Allocation Programs – ManagersChoice

MIG does not receive fees directly from clients who participate in the ManagersChoice program. MIG does receive management and administrative fees from the underlying Funds managed by MIG that are used in the Models. These fees are based on the assets under management in each Fund, and are payable pursuant to the Fund Management Agreements and related agreements. Financial Advisors whose clients have selected the ManagersChoice program typically receive an additional fee from clients based on the annual percentage of the assets being managed.

Besides investment management fees, an investment in the underlying Funds is subject to additional fees and expenses that are described in each Fund's Prospectus and SAI. These include administration, distribution, transfer agent, custodial, legal, audit and other fees and expenses.

As described in Item 14, MIG also may pay a fee to third parties whose clients invest in the ManagersChoice program. This fee will not increase the amount of fees paid by those clients. MIG or certain AMG Affiliates may also receive servicing fees from Affiliated and unaffiliated third parties whose mutual funds are offered in the ManagersChoice program.

Additional Fees and Expenses Payable by Clients

MIG fees do not include brokerage commissions, transaction fees, service provider fees, and other related costs and expenses that the client will incur. Clients will typically pay a brokerage commission for transaction execution. Item 12 – Brokerage Practices further describes the factors that MIG considers in selecting or recommending broker-dealers for executing transactions and determining the reasonableness of their compensation (e.g., commissions), where MIG has such authority. Investment activity by MIG, a Fund subadvisor or an adviser whose investment strategies are serviced and offered by MIG may also involve other transaction fees payable by clients, such as 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. In addition, clients may incur certain charges imposed by custodians, broker-dealers, third-party investment consultants, and other third parties, such as management fees, consulting fees, and custodial fees.

MIG may also receive administrative or servicing fees from AMG Affiliates and unaffiliated third parties whose mutual funds are offered in the ManagersChoice program.

Fees for Investment of Client Assets in Money Market Funds or Short-Term Investment

Funds

As noted in Item 4 – Advisory Business, MIG may utilize unaffiliated money market funds or other short-term investments generally offered by clients’ custodians as temporary investment vehicles for certain advisory accounts, subject to applicable restrictions and as permitted by law. The use of these money market funds for client accounts, either in “sweep” arrangements, for temporary investment purposes or otherwise, will result in certain advisory clients paying an investment management fee to the investment adviser of the unaffiliated money market fund. Client assets also may be invested in an unaffiliated money market fund for which MIG receives marketing and administrative service fees.

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

MIG does not charge fees based on performance or the net profits of the assets being managed.

Side-by-Side Management

MIG is an investment advisory firm offering a range of investment products and strategies, including mutual funds. Some of these accounts may present a conflict of interest for MIG, as our employees or AMG Affiliates may have an interest in such accounts. To address any potential conflicts, MIG policies and procedures seek to ensure that investment decisions are made in accordance with the fiduciary duties owed to such accounts and without consideration of MIG investment or financial interests. As Manager to the Funds, MIG periodically reviews Subadvisors policies and procedures related to allocation of investment opportunities, which includes side-by-side management.

Funds

As noted above, the Funds’ Subadvisors are responsible for the day-to-day portfolio management of the Funds. The Funds’ Subadvisors each have their own policies and procedures regarding the allocation of investment opportunities, which addresses any potential side by side management conflicts. These policies and procedures are designed to ensure the fair and equitable allocation over time of investment opportunities across the Subadvisors’ clients, including the Funds. MIG’s Compliance and Investment teams evaluate the Subadvisors’ written policies and procedures, generally during both pre-hire and ongoing due diligence visits by MIG.

In addition, MIG’s Compliance and Investment teams receive and review periodic reports from each Subadvisor to assist in the teams’ evaluation of the effectiveness of the Subadvisors’ allocation policies and procedures. Included among these reports are reports on IPO allocations, cross transactions and affiliated transactions.

Item 7 – Types of Clients

Types of Clients

As described previously, MIG provides investment advisory services to the Managers Funds. Additionally, high-net-worth individuals, corporate pension and profit sharing plan, public pension plans, charitable institutions, foundations, endowments and 401(k) sponsors and private investors who wish to utilize MIG’s services access us through financial consultants, registered investment advisers and other financial intermediaries, as well as directly through the Managers Funds.

Conditions for Managing Accounts

MIG provides services to the Managers Funds and other investment strategies and products described in Item 4 – Advisory Business. Each Fund or service may have minimum dollar value of assets and other conditions for starting or maintaining an account. These conditions vary and are subject to change and are included in the relevant Fund or client materials. MIG reserves the right to accept or maintain accounts below any stated minimum dollar values.

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

Strategy Overview and Methods of Analysis

As noted in Item 4 – Advisory Business above, MIG serves as the investment adviser and administrator for the Managers Funds, and as the sponsor of the ManagersChoice program.

As noted in Item 4 – Advisory Business above, MIG has an Investment Committee that oversees the Firm's investment products and strategies. The Committee includes members of senior management and the Investment Research team. The Committee generally meets every two weeks and is responsible for establishing and monitoring investment policies for the Funds and reviewing and evaluating the effectiveness and continuing appropriateness of the Funds' investment strategies and objectives. The Committee also makes recommendations to the Funds' Board of Trustees regarding the hiring and replacement of Subadvisors for the Funds. In addition, the Committee is also responsible for overseeing the Firm's ManagersChoice program, and for determining allocations for this asset-allocation program, including periodic rebalancing.

In addition to the Committee, MIG's Investment Research team is responsible for the search, selection and monitoring process with respect to Subadvisors for the Funds, and the mutual funds offered in the Firm's ManagersChoice program. The Investment Research group conducts regular due diligence on existing Subadvisors as well as prospective Subadvisors, and makes recommendations to the Committee regarding the hiring and terminating of Subadvisors. As part of the evaluation and due diligence process, the Investment Research team evaluates Subadvisors through an array of qualitative and quantitative factors including investment process, portfolio construction and characteristics, firm personnel, firm organization and performance results. Investment performance is assessed on an ongoing basis, and is considered along a number of different dimensions including on an absolute basis, relative to appropriate, pre-defined benchmarks, and in comparison to peers with similar mandates.

As part of the initial and on-going due diligence process, MIG's Compliance Team also reviews Subadvisors with a focus on items such as regulatory and legal issues, portfolio management policies, compliance staffing, trading practices, disclosures, conflicts of interest, safeguarding client information, valuation and business continuity planning, as well as reviewing various periodic compliance reports. The results of these reviews are reported to the Committee and to the Investment Research team, so that the Committee and Investment Research team can consider these reports in the search, selection and monitoring process described above.

For the Funds, and as noted in Item 4 – Advisory Business, each Fund has different investment objectives, policies and restrictions, which are set forth in each Fund's Prospectus and SAI. As described previously, MIG retains one or more Subadvisors for each of the Funds, and as a result (and except as otherwise discussed in this Brochure or in the Fund's Prospectus and SAI) MIG generally does not research or select the specific portfolio securities held by the Funds. More

information on the investment process for each Fund is contained in the Fund's Prospectus and SAI.

The main sources of information MIG uses includes, but is not limited to, quantitative data provided by third-party vendors, financial newspapers and magazines, research materials and reviews of our Funds and/or Subadvisors prepared by third parties that MIG has retained, corporate rating services relating to historical prices of securities, dividends, and earnings, annual reports, prospectuses, filings with the SEC, and company press releases. In addition, our regular interactions with each Subadvisor, including discussions of performance, market outlook and recent trade activity, provide further information. Conference calls are generally conducted on a quarterly basis with each Subadvisor, while ad-hoc calls and meetings may occur more frequently as a result of our ongoing monitoring efforts.

Certain Risks

The Funds and programs MIG offers carry different levels of risk. In each program or Fund, all securities include a risk of loss of principal and any profits that have not been realized. The stock markets, bond markets, and derivatives markets fluctuate substantially over time and, as recent global and domestic economic events have indicated, performance of any investment is not guaranteed. As a result, there is a risk of loss of the assets, and such a loss may be out of our control. MIG cannot guarantee any level of performance and cannot guarantee that investors will not experience a loss of value in their account.

In addition, in light of MIG's role as a "manager of managers" with respect to the Funds, and as sponsor of the ManagersChoice program, there is the risk that MIG's search, selection and monitoring process may not identify Funds or Subadvisors that are able to successfully pursue the investment objectives of a particular Fund or program, whether at the outset of a relationship with a particular Subadvisor and/or during the course of MIG's relationship with the Subadvisor. For ManagersChoice, there is also the risk that MIG may not rebalance the accounts among the various sleeves or components in a manner that achieves the account's investment objective, or that the timing of any rebalance (or decision not to rebalance at a particular time) will ultimately be successful.

With respect to the individual holdings in the Funds, there are additional risks associated with holdings of specific securities. While the information provided below is not intended to describe all of the risks associated with a particular investment by the Funds, some of the additional specific risks to which client assets may be susceptible include:

General Risks

- **Market Risk** – the risk that the market value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate or currency risk).
- **Liquidity Risk** – the possibility that an account might not be able to settle or meet its obligation on time or at a reasonable price.
- **Interest-rate Risk** – arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments.

- **Sector Risk** – strategies focused on or concentrated in a single sector may be affected by particular economic or market events and could be more volatile than a strategy with securities across industry sectors.
- **Currency Risk** – the risk that the value of an investment will fluctuate due to changes in foreign exchange rates. Strategies that hold investments in securities denominated in foreign currencies could be adversely affected by reductions in the value of a foreign currency relative to the functional currency of the portfolio.
- **Foreign Investment Risk** – investing in securities or other investments of foreign issuers involve additional risks (such as risks arising from less frequent trading, changes in political or social conditions, and less publicly available information about non-U.S. issuers) that differ from those associated with investing in securities of U.S. issuers and may result in greater price volatility.
- **Developing or Emerging Market Risks** – the economies of developing or emerging market countries may be more dependent on relatively few industries that may be highly vulnerable to local and global changes. The governments of developing and emerging market countries may also be more unstable than the governments of more developed countries. These countries generally have less developed securities markets or exchanges, and less developed legal and accounting systems. Securities may be more difficult to sell at an acceptable price and may be more volatile than securities in countries with more mature markets.
- **Derivatives Risks** – the use of derivative instruments for hedging purposes or as part of its investment strategy may be utilized in certain investments. There is a risk that a derivative intended as a hedge may not perform as expected. Risk associated with derivatives include that derivatives can amplify a gain or loss, potentially earning or losing substantially more money than the actual cost of the derivative, or that the counterparty may fail to honor its contract terms, causing a loss for a particular investment. Use of these instruments may also involve certain costs and risks such as liquidity risk, interest rate risk, market risk, credit risk, management risk, and the risk that a fund could not close out a position when it would be most advantageous to do so. Further information on derivatives risks is presented below.

Equity Risks

- **Large-Cap Stock Risk** – investment strategies focusing on large-cap companies may underperform other equity investment strategies as large cap companies may not experience sustained periods of growth in the mature product markets in which they operate.
Small/Mid-Cap Stock Risk – investment strategies focusing on small- and mid-cap stocks involve more risk than strategies focused on larger more established companies because small- and mid-cap companies may have smaller revenue, narrower product lines, less management depth, small market share, fewer financial resources and less competitive strength.

Fixed Income Risks

- **Fixed-Income Market Risks** – economic and other market developments can adversely affect fixed-income securities markets in Canada, the United States, Europe and elsewhere. At times, participants in debt securities markets may develop concerns about

the ability of certain issuers to make timely principal and interest payments, or they may develop concerns about the ability of financial institutions that make markets in certain debt securities to facilitate an orderly market which may cause increased volatility in those debt securities and/or markets.

- Counterparty Risk – risk that each party in a contract will not meet their obligations.
- Credit risk – the potential loss that an investor would incur if the counterparties failed to perform to the terms of their obligations. Adverse news about an issuer or a downgrade in an issuer's credit rating can also reduce the market value of an issuer's securities.
- Duration Risk – risk that fluctuation in interest rates may result in falling or rising bond prices.

Derivatives Risks

- ETNs, options, futures, forwards and other derivatives are financial contracts whose value depend on, or are derived from, the value of an underlying asset, interest rate or index.
- The use of derivatives will involve costs, the risk of mispricing or improper valuation, and may result in losses or have the effect of accelerating the recognition of gain.
- As a general matter, when a Fund establishes certain derivative instrument positions, such as certain futures, options and forward contract positions, it will segregate liquid assets (such as cash, U.S. Treasury bonds or commercial paper) equivalent to the Fund's outstanding obligations under the contract or in connection with the position.
- The use of derivatives may not succeed for various reasons, including unexpected changes in the value of the derivatives or the assets, rates or indices underlying them.
- Some derivatives are also subject to credit and counterparty risk in that a counterparty may fail to honor its contract terms, causing a loss for the Fund.

Investments in securities and other financial instruments and products that are subject to fluctuations create many types of risk that can cause the permanent loss of capital, whether as a result of adverse market conditions or otherwise.

Additional risks may be found in each applicable Fund's Prospectus and SAI, which is available at www.managersinvest.com, and in each Subadvisor's Form ADV Part 2A, which are available at www.adviserinfo.sec.gov.

Item 9 – Disciplinary Information

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Item 10 – Other Financial Industry Activities and Affiliations

Affiliations

As noted in Item 4 – Advisory Business above, MIG is a wholly-owned subsidiary and U.S. distribution arm of AMG, a publicly traded asset management company with equity investments in boutique investment management firms. AMG also holds equity interests in certain other investment advisers. Each of the other AMG Affiliates is operated autonomously and independently. As described in this Brochure, MIG has business dealings with several of these Affiliates. More information regarding AMG, including its public filings and a list of AMG Affiliates, is available at www.amg.com.

As noted in Item 4 – Advisory Business, MIG has mutual fund subadvisory agreements with various AMG Affiliates. As described in each Fund’s Prospectus and SAI, the Funds pay MIG advisory fees, and MIG pays the Subadvisors (including Subadvisors that are AMG Affiliates) subadvisory fees for the Funds they manage.

As previously noted, MIG is the sole shareholder in MDI, which is a limited purpose broker-dealer that serves as the distributor of the Funds. MIG and MDI may also provide administrative, marketing and distribution support service to a number of AMG Affiliates, and MIG and/or MDI may be compensated by those AMG Affiliates that serve as investment advisers to Affiliated Funds, for the servicing or distribution of those funds through various distribution platforms. MIG and MDI also provide administrative, marketing, and distribution support to certain AMG Affiliates that serve as Subadvisors to the Funds or that sponsor Affiliated mutual funds to facilitate the servicing and distribution of the relevant funds through various distribution platforms, and MIG and/or MDI is compensated by these AMG Affiliates for these services. Certain employees of MIG and other AMG Affiliates are registered representatives of MDI.

As noted in Item 4 – Advisory Business, MIG provides a variety of services to AMG Affiliates. MIG has servicing agreements with various AMG Affiliates, under which MIG provides non-discretionary back office support, administrative assistance, and marketing services to support the various AMG Affiliates provision of advisory services to or through various unaffiliated third-party investment programs, including wrap programs and dual contract programs sponsored by unaffiliated broker-dealers, banks, and other financial intermediaries. MIG receives a fee for the services provided by MIG under these servicing agreements.

MIG has subadvisory marketing agreements with various AMG Affiliates in which MIG markets AMG Affiliates’ investment management services to unaffiliated third-party intermediaries that sponsor subadvised investment products and other platforms, such as defined contribution retirement plan platforms. MIG receives a fee for the services provided. As noted in Item 4 – Advisory Business, for this line of business the Firm does business as “AMG Distributors”.

As noted in Item 4 – Advisory Business, MIG also provides its clients with access to separately managed account services through subadvisory marketing and servicing agreements with various advisers, including AMG Affiliates. These agreements allow MIG to market investment management services to unaffiliated third-party intermediaries that sponsor subadvised investment products and other platforms, such as defined contribution retirement plan platforms.

MIG and MDI also enter into agreements with third parties regarding the Funds as well as certain other Affiliated funds. These third parties may provide certain shareholder servicing and/or distribution support services in connection with the sale of shares of the funds, including through sponsored platforms through which the Funds and Affiliated Funds are available for purchase, and in some cases, these third parties may refer clients into the funds. These third parties (and the intermediaries that sponsor platforms through which the Funds and Affiliated mutual funds are available) may receive compensation from MIG (or an AMG Affiliate that serves as investment adviser to the Fund) out of its own resources.

MIG may receive administrative or servicing fees from AMG Affiliates and unaffiliated third parties whose mutual funds are offered in ManagersChoice, as further described in Item 4 – Advisory Business.

From time to time, certain AMG Affiliates may utilize the Funds for their clients. The use of the Funds will result in MIG earning advisory, distribution and/or other fees in addition to fees otherwise payable to MIG for its services.

Other Financial Activities

MIG is registered as a commodity pool operator with the Commodity Futures Trading Commission and a National Futures Association member. As previously noted, MIG is the sole shareholder in MDI, which is a limited purpose broker-dealer registered with the SEC and a member of FINRA. MDI serves as the underwriter of the Funds. Certain employees of MIG and certain AMG Affiliates that serve as subadvisors to the Managers Funds are registered representatives of MDI.

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

Code of Ethics

MIG has a fiduciary duty to its clients, and accordingly has adopted a Code of Ethics (the “Code”) that applies to all employees. The Code describes the standard of conduct MIG requires of its employees and sets forth restrictions on certain activities, including personal trading in accounts owned, managed or beneficially owned by the employee. The Code’s provisions also include requirements relating to areas such as gifts and entertainment, outside business activities, and the provision and solicitation of political and charitable contributions. By setting forth the regulatory and ethical standards to which MIG employees must adhere, the Code supports our efforts to promote a high level of professional ethical conduct in furtherance of our fiduciary duty to our clients.

Personal Trading

Among other things, the Code limits and monitors the personal trading activity of our employees, including members of our employees’ households. These limitations seek to further MIG’s efforts to prevent employees from personally benefiting from MIG’s (or our Fund Subadvisors’) investment decisions for its clients and/or any short-term market effects of MIG recommendations to clients. Specifically, the Code requires employees and certain members of their households to “pre-clear” their personal securities transactions with our Firm’s Compliance Department prior to execution, with some limited exceptions. The Code also prohibits such persons from trading in securities during specific periods of time when they are on a list of those being considered for purchase or sale by the firm for our clients’ accounts (i.e., “blackout periods”). Limitations also exist for such persons on the participation in initial public offerings and private placements. All Employees must provide MIG with a listing of their securities holdings, as well as duplicate copies of statements and trade confirmations with respect to their brokerage accounts. These restrictions and requirements of the Code apply to all accounts over which employees have investment discretion, or in which they have a direct or indirect beneficial ownership interest.

Participation or Interest in Client Transactions

Certain principals of MIG and certain employees may invest their own or the Firm’s assets in accounts managed by MIG and our Subadvisors. These accounts may hold, purchase, or sell the same securities in which clients have interests. MIG generally does not buy or sell, for our own

accounts, securities that MIG or our Subadvisors have recommended to our clients. MIG also does not engage in principal trades with our clients.

In addition, due to the nature of our clientele, our Subadvisors may, from time to time, trade in securities issued by our clients, counterparties or other business partners. In all such instances, our Subadvisors will do so in what they believe to be in the best interests of the clients, and consistent with their fiduciary duties. Our Subadvisors will not, under any circumstances, consider a security issuer's status as a client or other business partner of the firm when determining to trade in that issuer's security on behalf of other client accounts.

Insider Trading/Material Non-Public Information

All employees of MIG are subject to AMG's Insider Trading Policy and Procedures (the "AMG Insider Trading Policy"). The AMG Insider Trading Policy broadly prohibits the use of material, non-public information, and also imposes restrictions on the trading of AMG's stock. In addition, MIG's Code also includes policies and procedures prohibiting the use of material non-public information that are designed to prevent insider trading by an officer or employee of MIG.

In accordance with these policies, to prevent trading of public securities based on material, non-public information, MIG may maintain a "restricted list" that identifies any securities that cannot be purchased for employee, client, or firm-owned accounts because material, non-public information may have been received by an employee of the firm. The issuers named on this restricted list are coded as "prohibited" in MIG's trading and portfolio compliance system, thus blocking MIG from trading in these securities without the consent of MIG's Chief Compliance Officer. This list is confidential and may only be disseminated to certain individuals whom Compliance deems appropriate.

Gifts and Business Entertainment

MIG's Code includes policies and procedures regarding giving or receiving gifts and business entertainment between the Firm's employees and certain third parties (e.g., vendors, broker-dealers, consultants, etc.) to help mitigate the potential for conflicts of interest surrounding these practices. In general, MIG limits the amount of gifts and business entertainment that may be provided by employees to these parties, and requires the pre-approval of certain items by our Compliance Department and/or select members of MIG's Senior Management. MIG specifically monitors for any potential conflicts of interest with respect to individual instances of gifts or business entertainment, as well as patterns of the same over time, to prevent the interests of MIG and its employees from being placed ahead of the interests of our clients.

As noted in Item 10 - Other Financial Industry Activities and Affiliations of this Brochure, certain MIG employees are also registered representatives of MDI and are subject to additional procedures and restrictions with respect to gifts and business entertainment activities.

Charitable Contributions

From time to time, MIG may donate to charitable enterprises that are clients, are supported by clients, and/or are supported by an individual employed by one of our clients. In general, those donations are made in response to requests from clients and/or their personnel. Members of MIG's Senior Management team approve charitable contributions to be made by the Firm.

Management may take into consideration the importance of the client relationship as one factor in determining whether to approve a charitable contribution.

Political Contributions

MIG prohibits its employees from making political contributions on behalf of MIG or to be reimbursed for personal political contributions, or from making political contributions for the purpose of securing or retaining business. MIG maintains policies and procedures that set forth specific limitations on the amounts of such contributions, as well as preclearance and reporting requirements for certain political contributions.

Distribution of Code

MIG is firmly committed to making our employees and clients (both current and prospective) aware of the requirements within our Code. All of our employees are provided with a copy of our Code at the time of hire and annually thereafter, and each employee must affirm that they have received a copy of the Code, and that they have read and understand its provisions. Additionally, MIG conducts periodic compliance training that addresses the requirements of the Code and the other policies described in this Item. A copy of MIG's Code is also available to clients or prospective clients upon request, and may be obtained by contacting MIG's Compliance Department at the address set forth in Item 1 – Cover Page above.

Item 12 – Brokerage Practices

Brokerage Relationships

MIG's relationships with broker-dealers, particularly those affiliated with large financial services organizations, are complex. Our Subadvisors use various broker-dealers to execute trades on behalf of clients, but MIG may also have many other relationships with such firms. For example:

- Subadvisors to Funds may invest client assets in securities issued by broker-dealers or their affiliates.
- Certain broker-dealers may provide both internally generated and third-party research to MIG and/or Subadvisors, as part of a bundled service, through a licensing arrangement or otherwise.
- Certain brokers-dealers may refer clients to MIG.
- From time-to-time, MIG may sponsor events for certain broker-dealers.
- Additionally, MIG's sales team regularly calls on financial advisors of broker-dealers for the purpose of distributing our Funds and other services that MIG currently offers.

Notwithstanding such relationships or business dealings with these broker-dealers, Subadvisors have a fiduciary duty to its clients to seek best execution, as noted below, when trading with these firms, and has implemented policies and procedures to monitor its efforts in this regard.

Best Execution – Selection Factors for Broker-Dealers

“Best execution” is generally understood to mean the most favorable cost or net proceeds reasonably obtainable under the circumstances. In seeking best execution, Subadvisors look for the best combination of transaction price, quality of execution (e.g., the speed of execution, the likelihood the trade will be executed, etc.), and other valuable services that an executing broker-dealer may provide.

Funds

As noted in Item 4 – Advisory Business, MIG is the Investment Manager to the Funds. MIG delegates the responsibility to make investment decisions for the Funds to Subadvisors in accordance with the investment guidelines outlined in the Funds’ Prospectus and SAI. The Subadvisors generally determine the individual securities and amounts to be bought or sold, the broker or dealer utilized and related commission rates. However, as Manager of the Funds, MIG has the authority in certain circumstances to request that the Subadvisors employ specific brokers who have agreed to pay certain Fund expenses in accordance with the Fund’s brokerage recapture program.

In selecting brokers or dealers to transact securities purchases or sales, the Subadvisor’s primary responsibility is to obtain the best net price and execution for the Fund. This responsibility does not obligate the Subadvisor to seek the lowest available commission cost to the Fund or to solicit competitive bids for each transaction, so long as the Subadvisor determines that the broker or dealer is able to obtain the best net price and execution on a particular transaction and that the commission cost is reasonable in relation to the total quality and reliability of the brokerage and research services made available by the broker. The Subadvisor may make this determination based on either that particular transaction or with respect to the Subadvisor’s overall responsibilities for its clients, including the Fund, notwithstanding the fact that the Fund may not be the direct or exclusive beneficiary of any services, or that another broker may be willing to charge the Fund a lower commission on the particular transaction.

When selecting brokers to execute transactions and in evaluating the best available net price and execution, a Subadvisor is generally authorized by the Funds to consider the “brokerage and research services” (as those terms are defined in Section 28(e) of the Securities Exchange Act of 1934, as amended), provided by the broker. Each Subadvisor is also generally authorized to cause a Fund to pay a commission to a broker who provides brokerage and research services for executing a portfolio transaction that is in excess of the amount of commission another broker would have charged for effecting that transaction. A Subadvisor must determine in good faith, however, that the commission was reasonable in relation to the value of the brokerage and research services provided, viewed in terms of that particular transaction or in terms of all the accounts over which a Subadvisor exercises investment discretion. Brokerage and research services received from such brokers will be in addition to, and not in lieu of, the services required to be performed by each Subadvisor.

As noted in Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss, MIG periodically monitors and reviews each Subadvisor’s brokerage practices, including best execution. Each Subadvisor’s Form ADV provides further information on their brokerage practices and business operations.

Directed Brokerage

MIG generally does not suggest brokers to its clients. In instances where MIG has a role in a trade execution process, such as in MIG’s servicing of certain Affiliates’ investment strategies with intermediaries and other third party investment platforms, and the client has directed brokerage to a particular broker-dealer, MIG will place trades with the broker-dealer. In these

cases, MIG will not seek to negotiate commission rates for client accounts, as these rates have been pre-negotiated between the client and the broker-dealer. MIG is unable to supersede the terms of that agreement. As a result, the client may pay higher commission costs, higher prices and transaction costs, since MIG may not be able to obtain volume discounts that it otherwise would have had the client not directed MIG to trade through a specific broker-dealer. In addition, the client may be unable to obtain the most favorable price as a result of MIG's inability to aggregate/bunch the trades from this account with other client trades.

In addition, the client may not be able to participate in the allocation of a new issue, and MIG generally does not execute client securities transactions with broker-dealers that have been directed by clients until all non-directed brokerage orders are completed and clients directing commissions may not generate returns equal to clients that do not direct commissions. Due to these circumstances, there may be a disparity in commission rates charged to a client who directs MIG to use a particular broker-dealer. Clients who direct brokerage should understand that similar brokerage services may be obtained from other broker-dealers at lower costs and possibly with more favorable execution.

MIG may have certain accounts that were obtained through outside consultants that may also be broker-dealers, or may have certain pre-existing financial arrangements or relationships with a particular broker-dealer. Clients obtained from these outside consultants may instruct us to direct some or all of their brokerage transactions to these particular broker-dealers, or MIG may otherwise allocate brokerage to these broker-dealers as further described in this Brochure.

Additionally, ManagersChoice accounts are typically established by a client through a broker-dealer or another intermediary that has a relationship with a broker-dealer. In these cases, MIG generally will purchase mutual funds shares for the selected ManagersChoice model through that broker-dealer on the basis that the client has effectively directed brokerage to that broker-dealer. Clients typically are charged a fee that includes charges for transactions executed by the referring broker-dealer, and trades executed through other broker-dealers will incur additional transaction costs. MIG will execute trades through other broker-dealers only when required by applicable law or when MIG believes in good faith that such other broker-dealer will provide better execution, despite any additional transaction charges.

MIG reserves the right to reject or limit client requests for directed brokerage, and clients may be charged a premium for such arrangements.

Cross Trades

MIG typically does not engage in cross trades. In instances where cross trades are deemed appropriate, opportunities will be determined by MIG based on considerations of best execution and liquidity. Cross trades will be placed with an independent third-party broker for execution at a predetermined price set at the open or the close by MIG.

Soft Dollars

MIG does not engage in soft dollar arrangements (arrangements through which an investment adviser may direct certain transactions for execution to certain broker-dealers in recognition of brokerage and research services provided by third-party providers).

Additionally, Subadvisors to the Funds may utilize soft dollar transactions and receive proprietary research. Information regarding Subadvisor use of soft dollars and other research is available in each Subadvisor's Form ADV Part 2A, which are available at www.adviserinfo.sec.gov.

Trade Errors and Trade Error Accounts

In instances where MIG has a role in a trade execution process, such as in MIG's servicing of certain Affiliates' investment strategies with intermediaries and other third party investment platforms, it is MIG's policy to ensure that all trade errors caused by MIG are resolved and that effort is made to prevent recurrence of the error. To the extent that any errors occur, they are to be (i) corrected as soon as practicable and in such a manner that the account(s) are appropriately reimbursed for any loss, and (ii) reported to appropriate personnel, including Compliance. Further procedures may be implemented to prevent or reduce errors.

The Trading Group is responsible for ensuring trade errors are resolved in the best interest of clients. The Trade Error Committee oversees the trade error resolution process. On a monthly basis, if needed, members of Separate Account Services, Compliance and other members of Senior Management meet to discuss all trade errors and to evaluate implementing controls to prevent and/or detect these errors in the future. Compliance also evaluates whether any potential patterns to the errors have occurred.

Item 13 – Review of Accounts

Funds

As noted in Item 4 – Advisory Business and Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss, MIG monitors the composition of the Funds to which it serves as investment adviser. MIG also oversees and reviews the Subadvisors to each Fund. Investment and performance reports for the Funds are provided to the Board of Trustees for the Funds at quarterly in-person meetings, which may include presentations by the Funds' Subadvisors. The Investment Committee has regular interaction with the Subadvisors to each Fund to discuss performance, market outlook and recent activity. Subadvisors provide a quarterly portfolio commentary shortly after quarter-end, and more frequent interaction typically occurs as well. MIG has qualitative and quantitative systems in place to monitor each Subadvisor and can promptly contact a specific Subadvisor whenever necessary.

Asset Allocation Programs - ManagersChoice

MIG periodically monitors the investment style allocations for the mutual funds used in the ManagersChoice program. Internal reports are generated and reviewed on each of the Funds and asset-allocation program on a periodic basis. MIG's Investment Research, Trading, Operations, and Compliance teams are responsible for regularly reviewing the assets of the accounts under their supervision. The number of reviewers and accounts assigned to each varies depending on the nature of the product, service, or strategy.

Clients with accounts in the ManagersChoice program are generally managed to model portfolio allocations that are applied to each client's account as mandated in the investment management agreement. The Investment Committee reviews internal reports on a periodic basis to determine the model allocations, and at MIG's discretion, may periodically rebalance these portfolios to maintain the appropriate weighting as indicated in the investment management agreement.

between the client and MIG. The Investment Committee reviews the model portfolios, subject to any restrictions or other limitations imposed by the client.

Reporting

For both the Funds and ManagersChoice, clients generally receive quarterly account reports from independent qualified custodians, which includes the Transfer Agent for the Funds, unless they request these reports more frequently as dictated in the client's investment policy statement or investment management contract. The reports typically include:

1. Listing of holdings, including number of shares and current market value;
2. Quarterly, year-to-date, and/or since-inception time-weighted rates of return;
3. Historical statement of changes describing clients' original capital and additions of capital, together with income earned and a combination of realized and unrealized appreciation or depreciation; and
4. Purchase and sale transactions occurring during the quarter.

Periodically, MIG may furnish additional reports concerning investment advisory accounts. Clients may receive similar information from their respective custodians or broker-dealers. Certain clients may receive additional reports as requested from time to time. As noted, the custodian statements reflect the official books and records for the accounts MIG manages, rather than any statement provided by MIG.

Item 14 – Client Referrals and other Compensation

Relationships with Consultants

Many of our clients and prospective clients retain investment consultants to advise them on the selection and review of investment managers. MIG may have certain accounts that were introduced to MIG through consultants. These consultants or their affiliates may, in the ordinary course of their investment consulting business, recommend MIG investment advisory services, or otherwise place MIG into searches or other selection processes for a particular client.

MIG has extensive dealings with investment consultants, both in the consultants' role as adviser for their clients and through independent business relationships. Specifically, consultants are provided with information on portfolios that are managed for our mutual clients, pursuant to our clients' directions. MIG also provides information on our investment styles to consultants, who use that information in connection with searches they conduct for their clients. MIG may also respond to "Requests for Proposals" from prospective clients in connection with those searches.

Clients obtained from these consultants may instruct MIG to direct some or all of their brokerage transactions to these consultants, which may also be a broker-dealer, or to the particular broker-dealers with whom they have relationships. Alternatively, MIG may simply choose to allocate brokerage to such consultants or broker-dealers.

Other interactions that MIG may have with consultants include, but are not limited to, the following:

- MIG may invite consultants to events or other entertainment hosted by the Firm.

- MIG may, from time to time, purchase software applications, access to databases, and other products or services from some consultants.
- MIG may pay registration or other fees for the opportunity to participate, along with other investment managers, in consultant-sponsored industry forums or conferences. These conferences or forums provide MIG with the opportunity to discuss a broad variety of business topics with consultants, clients, and prospective clients.

In general, MIG relies on each consultant to make appropriate disclosure to its clients of any conflict that the consultant may believe to exist due to its relationship with our firm.

Consulting Databases

MIG may pay consultants or other third parties to include information about MIG's investment approaches in databases that they maintain to describe the services provided by investment managers to prospective clients.

Relationships with Solicitors

For the ManagersChoice program, MIG has solicitation agreements in certain instances in which accounts are referred to the Firm through the recommendations of third parties, including consultants, which may also be broker-dealers, or may have certain pre-existing financial arrangements or relationships with a particular broker-dealer. Clients obtained from these outside third parties or consultants may instruct us to direct some or all of their brokerage transactions to these particular broker-dealers, or MIG may otherwise allocate brokerage to these broker-dealers. In addition, MIG may from time to time buy certain services or products from third parties that are used in MIG's investment advisory business (such as manager research services, portfolio analytics software or research publications) or pay registration or other fees toward or otherwise assist in sponsoring third parties' industry forums, seminars or conferences.

Item 15 – Custody

MIG does not act as a custodian over the assets in the accounts we manage for our clients. As noted below, clients must make their own arrangements for custody of securities in their accounts. These custodians may be broker-dealers, banks, trust companies, or other qualified institutions. The qualified custodian will typically provide the client with at least quarterly account statements relating to the assets held within the account managed by MIG. Each client should carefully review the qualified custodian's statement upon receipt to determine that it completely and accurately states all holdings in the client's account and all account activity over the relevant period. Any discrepancies identified by a client should be immediately reported to the client's advisor, qualified custodian or MIG.

Funds

As noted in the Prospectus and SAI, the Funds have engaged independent third-party custodians to provide services to the Funds, including custodial services, consistent with the requirements of the Investment Company Act of 1940. As a result, neither MIG nor the Funds maintain custody of Fund assets, and Firm personnel have limited access to Fund assets. The qualified custodians for the Funds maintains internal controls, policies and procedures to ensure that Fund assets are not misappropriated, lost or misused in any way. The Firm has implemented processes to oversee and supervise the Funds' qualified custodians to ensure that they are effectively discharging their obligations in this regard.

MIG and the Funds maintain various policies and procedures to ensure that the Funds' records are accurately maintained, stored and capable of retrieval, and to ensure that reports to Fund shareholders are accurate and timely and regularly reconciled with the records of the Funds' custodian. Consistent with the requirements of the Investment Company Act of 1940, the Funds provide a series of regular reports and statements to Fund shareholders.

ManagersChoice

MIG does not maintain custody of its ManagersChoice client assets. MIG, on behalf of the Funds maintained as part of the ManagersChoice Program, has engaged an independent third-party custodian to provide services to these Funds, including custodial services, consistent with the requirements of the Investment Company Act of 1940. As a result, neither MIG nor the Funds maintain custody of Fund assets, and MIG personnel have limited access to Fund assets. The qualified custodians for the each of the Funds utilized in ManagersChoice maintain internal controls, policies and procedures to ensure that assets are not misappropriated, lost or misused in any way. All transactions in client accounts, including securities transactions and any cash movements, are required to be authorized by a limited group of designated individuals at MIG, and MIG has information-security systems in place to restrict unauthorized access.

Please note that custodian statements reflect the official books and records for the accounts we manage. As such, any questions, concerns, or discrepancies may be communicated to MIG by writing, e-mailing, or telephoning us using the contact information set forth in Item 1 – Cover Page above.

Item 16 – Investment Discretion

As noted in Item 4 – Advisory Business, MIG has discretionary authority as manager for the Funds, and for asset allocation decisions with respect to the models in the ManagersChoice program.

Funds

As noted in Item 4 – Advisory Business, in its capacity as Investment Manager, MIG is responsible for the overall administration of the Funds. MIG selects and recommends, subject to approval of the Funds Board of Trustees, Subadvisors to manage the Funds. Additionally, MIG monitors performance, security holdings and investment strategies of Subadvisors and researches any potential new Subadvisors for the Funds. As part of its role as Investment Manager, MIG has discretion over the cash reserves segment of certain Funds.

ManagersChoice

With respect to ManagersChoice, typically clients will grant MIG discretionary authority by executing an investment management agreement with a third party and/or separate power of attorney, which includes, among other items, a statement giving MIG authority to invest the assets identified by the client in the ManagersChoice model selected by the client, and to engage in transactions in the mutual funds offered in the ManagersChoice program from time to time on a discretionary basis in the client account. In the case of ManagersChoice – Direct, where clients have terminated their relationship with their financial intermediary, they will execute an investment management agreement directly with MIG, which will be responsible for investing each client’s assets through the ManagersChoice program. As noted in Item 4 above, MIG typically will be granted discretion by Financial Advisor firms, which include broker-dealers, registered investment advisers and other intermediaries in which each firm will execute an agreement with MIG. The agreements allow MIG to provide discretionary investment advisory services for clients of a Financial Advisor enrolled in ManagersChoice. Additionally, the Financial Advisor or MIG may occasionally enter into a separate agreement with a client pursuant to which client authorizes MIG to manage client’s accounts on a discretionary basis.

Item 17 – Voting Client Securities

Voting Agent

Currently, MIG does not maintain client accounts that require the Firm to vote securities. If there are situations where MIG is required to vote, MIG would contract with an independent third-party proxy voting and corporate governance services provider (“proxy agent”), to provide research on corporate governance issues and corporate actions, make proxy vote recommendations, and handle the administrative functions associated with voting client proxies. While the proxy agent makes the proxy vote recommendations, MIG retains the ultimate authority to decide how to vote in instances where MIG has proxy-voting authority. MIG, as a general matter, votes in accordance with recommendations of the proxy agent, though MIG retains the right to determine the vote on a particular proxy. In any instance where a conflict of interest arises, MIG will vote in accordance with the proxy agent’s recommendations, foregoing its right to veto such recommendations.

The Funds maintain separate proxy voting policies and procedures with respect to proxy voting for the Funds, as described further below.

Proxy Voting - Mutual Funds

For the Funds, MIG generally delegates proxy-voting authority to each Subadvisor. Proxies are voted in accordance with the proxy voting policies and procedures of the Subadvisor responsible for managing the portion of the Fund’s assets that includes the security with respect to which a proxy is solicited. For proxies related to shares of an unaffiliated money market fund used as a cash management vehicle, MIG typically votes the proxy as recommended by the cash management vehicle’s directors.

Descriptions of each Subadvisor’s proxy voting policies and procedures are set forth in the respective Fund’s SAI. Each Fund’s proxy voting record is available on the SEC’s website at <http://www.sec.gov/investor/pubs/mfproxyvoting.htm>. or our website at www.managersinvest.com.

If you would like a copy of MIG's Proxy Policy, if you would like to review how MIG voted on a particular security in your account, or if you would like further information on the proxy agent's proxy voting policy guidelines, please contact MIG's Compliance Department by writing, e-mailing, or telephoning us using the contact information set forth in Item 1 – Cover Page above.

Item 18 – Financial Information

MIG has no financial condition that impairs our ability to meet our contractual and fiduciary commitments to our clients, and MIG has not been the subject of a bankruptcy proceeding.

Supplemental Information

MANAGERS INVESTMENT GROUP LLC – PRIVACY NOTICE

Collection and Use of Client Information

MIG and its affiliated businesses, MDI, and The Managers Funds Complex, (collectively, “MIG” or “We”) collect only relevant information about our clients that the law allows or requires us to have in order to conduct our business and properly service our accounts. We collect financial and other nonpublic personal information about our clients from the following sources:

- Directly provided by our clients from investment management contracts and other forms; and
- Information provided to us by authorized parties acting on behalf of our clients such as accountants, attorneys and investment consultants.

Keeping Information Secure

MIG maintains physical, electronic and procedural safeguards and procedures to protect your financial and other personal information, and MIG continuously strives to improve these safeguards and procedures.

Limiting Access to Information

All of MIG’s employees are aware of the importance of maintaining and respecting customer privacy and to recognize the importance of confidentiality. Violations of MIG’s privacy policies may result in disciplinary action.

Accuracy of Information

MIG strives to keep accurate client information records and MIG takes steps to correct errors as they are found. If there are any inaccuracies in your account statements or in any other communications from MIG please contact us immediately and the necessary corrections will be made.

Use of Personal and Financial Information by Us and Third Parties

Information about MIG’s clients that is in the firm’s possession is shared with non-affiliated third parties only to the extent necessary for MIG to provide the services for which our clients have hired us, and then only to the extent permitted by law.

MIG typically does not share nonpublic client information with unaffiliated third parties other than as necessary to carry out the actual performance of the investment management services it has been hired to provide. Thus, for example, MIG will share nonpublic client information with brokers and custodian banks in order to buy and sell securities and record those purchases and sales accurately.

MIG may also use such information in the account intake process including conducting anti-money laundering screening. As a general rule, MIG does not engage in joint

marketing arrangements with unaffiliated third parties that involve the sharing of nonpublic information regarding MIG's clients, nor does it sell client information to unaffiliated third parties for their own marketing purposes. Any exceptions to these practices are made only with the permission of the particular client for the sharing of information with identified third parties or as otherwise required by law.

As a wholly-owned subsidiary of Affiliated Managers Group, Inc. (AMG), MIG also shares with AMG (and certain authorized AMG Affiliates, as applicable) information about MIG's experiences or transactions with customers or their accounts. AMG and the AMG Affiliates abide by a "No Share" policy whereby this information is not shared with unaffiliated third parties. In certain situations where information is being shared with an AMG Affiliate, MIG has either a "Limited Authorization Form" in place or confidentiality agreements to cover any access to information and limits the sharing of information to that which is referenced in these agreements.

Maintaining Customer Privacy in Business Relationships

MIG does not share client information with anyone who does not agree to keep such information confidential. If you believe MIG has shared your information inappropriately or for questions concerning our policy, please contact MIG's Compliance Department by using the contact information set forth in Item 1 – Cover Page above.

Privacy Policy Concerning Other Persons

During the routine course of business, MIG may also obtain personal information from persons other than customers. MIG's policy is to protect such nonpublic personal information by employing physical, electronic and information destruction safeguards. MIG limits access to such personal information, including social security numbers, to only those individuals who need such information to execute their employment duties or to comply with applicable law or regulation. Any other use, access or distribution of personal information obtained by MIG is prohibited.