

ITEM 1. COVER PAGE

January 23, 2015
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Citigroup Global Markets Inc.

Investment Advisory Programs

For Clients Of

Citi Private Bank Contracting Directly with CGMI

Form ADV Part 2A (Appendix 1): Firm Brochure

This wrap fee brochure provides clients with information about Citigroup Global Markets Inc. and the following investment management, consulting and monitoring programs and services Citigroup Global Markets Inc. offers to its clients:

- Fiduciary Services Program
- Citi ETF Program
- Dynamic Allocation Portfolios – UMA Program
- Citi Advisor Program
- Consulting and Evaluation Services Program
- Investment Management Services Program
- Alternative Investments Program
- Fiduciary Asset Management Program
- Portfolio Manager Program and Portfolio Manager – Exchange Traded Funds Program
- Multi-Asset Class Solutions Non-Discretionary Investment Advisory Services Program
- Multi-Asset Class Solutions Discretionary Investment Advisory Services Program
- Citi Managed Mutual Fund Program
- Legg Mason Private Portfolios Program
- Umbrella Portfolios Program
- Multi-Asset Class Solutions Umbrella Portfolios Program

This wrap fee brochure provides information about the qualifications and business practices of Citigroup Global Markets Inc. If you have any questions about the contents of this brochure, please contact us at 212-816-6000 or www.privatebank.citibank.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 Citigroup Global Markets Inc. also is available on the SEC’s website at www.adviserinfo.sec.gov.

YOU SHOULD READ AND CONSIDER CAREFULLY THE INFORMATION CONTAINED IN THIS BROCHURE BEFORE RETAINING CITIGROUP GLOBAL MARKETS INC. TO PROVIDE ANY OF THE SERVICES DESCRIBED. THIS INFORMATION HAS NOT BEEN APPROVED OR VERIFIED BY ANY GOVERNMENTAL AUTHORITY.

Where we refer to ourselves as a “registered investment adviser” or “registered”, that registration does not imply a certain level of skill or training.

© 2015 Citigroup Global Markets Inc. (“CGMI”). Securities are offered through CGMI, member SIPC. Accounts carried by Pershing LLC, member FINRA, NYSE, SIPC. CGMI and Citibank, N.A. are affiliated companies under the common control of Citigroup Inc. Citi and Citi with Arc Design are registered service marks of Citigroup Inc. or its affiliates, and are used and registered throughout the world.

INVESTMENT PRODUCTS: NOT FDIC INSURED • NO BANK GUARANTEE • MAY LOSE VALUE

ITEM 2. MATERIAL CHANGES

Since our interim amendment filed on August 20, 2014, the following material changes were made to the brochure. This summary does not include earlier interim amendments to the brochure.

Item 4.A.4 – Dynamic Allocation Portfolios – UMA Program. The “Firm Discretion” election within this program is no longer open to new clients. All other elections within this program, however, are still open to new clients.

Item 4.A.4 –Investment Advisory Services Program. This program has been renamed as the “Multi-Asset Class Solutions Non-Discretionary Investment Advisory Services Program.”

Item 4.A.4 – Umbrella Portfolios Program. This program is no longer open to new clients.

Item 4.A.4 – Multi-Asset Class Solutions Umbrella Portfolios Program; Multi-Asset Class Solutions Discretionary Investment Advisory Services Program. We added two new programs: (i) the Multi-Asset Class Solutions Umbrella Portfolios Program and (ii) the Multi-Asset Class Solutions Discretionary Investment Advisory Services Program. Both programs are discretionary asset allocation programs.

Item 4.A.4 – Citi ETF Program; Dynamic Allocation Portfolios – UMA Program; Citi Managed Mutual Fund Program; Umbrella Portfolios Program. The Multi-Asset Class Solutions Investment Committee of Citi Investment Management, a business unit of Citibank and an affiliate of CGMI, is assuming the former responsibilities performed by the Global Portfolio Committee in connection with these programs.

Item 9.A.1. We have updated the disciplinary events for CGMI to include the following:

FINRA Claims Related to Research and Investment Banking.

On November 20, 2014, CGMI entered into a settlement with FINRA. FINRA alleged that CGMI, during certain periods from 2010 through 2013, failed to supervise communication between its equity research analysts and clients, including to adequately supervise “idea dinners” hosted or attended by equity research analysts; to prevent disclosure of nonpublic research information in December 2012 by individuals employed by Citigroup Global Markets Taiwan Securities Co Ltd.; to adequately enforce its policies concerning communications by equity research analysts; and to have written supervisory procedures reasonably designed to ensure that its equity research analysts did not participate in investment banking road show presentations, and that an equity research analyst indirectly participated in investment banking road show presentations for two companies. Without admitting or denying the allegations, CGMI consented to a censure, a fine in the amount of \$15,000,000 and an undertaking to conduct a comprehensive review of the adequacy and implementation of its policies, procedures, and training.

FINRA and New York Stock Exchange LLC (“NYSE”) Claims Related to Prospectus Delivery.

On December 11, 2014, CGMI entered into a settlement with both FINRA and NYSE. FINRA and NYSE alleged that, from 2009 through April 2011, CGMI failed to deliver prospectuses to customers in connection with sales of certain exchange traded funds (“ETFs”); failed to design and implement an adequate supervisory system to achieve compliance with the securities laws, regulations, and rules governing ETF prospectus delivery; and failed to establish, maintain, and enforce supervisory control policies and procedures that tested and verified that its ETF prospectus delivery procedures were in compliance with applicable laws, regulations, and rules. Without admitting or denying the allegations, CGMI consented to a censure and a fine in the amount of \$3,000,000 (paid jointly to FINRA and NYSE).

Form ADV Part 2B: Brochure Supplements. We have updated the brochure supplements of supervised persons who have discretionary authority over client assets even if they do not have direct client contact in connection with the investment advisory programs they service. The update reflects mainly personnel and associated program changes.

Please read the full brochure for additional information regarding the changes described above. Capitalized terms used in this section have the meanings assigned to them in the main body of the brochure.

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ITEM 4. SERVICES, FEES & COMPENSATION

A.1. Introduction

Citigroup Global Markets Inc. (“CGMI”) provides a variety of services designed to meet the varying investment advisory and related needs of individual and institutional clients. Each program described in this brochure offers some or all of the following services: selection of, or assistance in selecting, investment manager(s); ongoing evaluation and review of certain investment manager(s); ongoing evaluation and review of certain mutual funds and exchange traded funds; evaluation and review of the composition of selected portfolios; discretionary portfolio management; custody; execution; implementation services; and reports of activity in a client’s account.

In certain programs, clients may have their assets managed by one or more investment managers. Information about each investment manager is in a separate investment manager brochure either provided to the client or available upon request through a client’s CGMI adviser.

Clients should read and consider carefully the information contained in both this brochure and any relevant investment manager brochure. While CGMI believes that its professional investment advice can work to benefit many clients, there is no assurance that the objectives of any client in any of the programs described will be achieved.

A.2. CGMI’s Advisory Services

CGMI offers single-style accounts and multiple-styles within one account. CGMI recommends and employs various investment strategies in providing investment management services, depending upon the services to be rendered and the objectives and guidelines of the client. The investment strategies may involve long-term or short-term purchases, trading, and margin transactions. Not all of these strategies are appropriate for all clients, however, and only those strategies believed to be suitable will be used in any given client account or advisory program. Each portfolio is personalized but there may be a substantial degree of uniformity in client portfolios as a result of the common investment objectives of the clients participating in the various programs.

Each of CGMI’s and its affiliates’ advisory programs may be based on different methodology, and as a result, asset allocation or investment recommendations may differ among programs.

CGMI’s investment management services generally rely on fundamental analysis with supplemental technical analysis, which may include charting or cyclical review. Computer technology may be employed to more readily display these factors to portfolio managers. Information is derived from many sources. Personnel involved in providing investment advisory services have access to CGMI’s research facilities as well as CGMI’s and its affiliates’ economists and specialists in all major industry groups. Information may be obtained from various other sources including financial publications (including newspapers, research reports, the internet and magazines); industrial manuals and publications; inspections of corporate activities; direct contact with and press releases and other reports released by companies; annual reports, prospectuses and filings made with the Securities and Exchange Commission (“SEC”); research materials prepared by others; governmental reports; timing services; and corporate rating services. CGMI and its affiliates at times may not be free to divulge such information to investment advisory clients or act upon it on their behalf.

Additionally, CGMI and its affiliates provide certain advisory services for compensation to various collective funds available to clients of its affiliated trust companies.

Investment Advisory Services versus Brokerage Services

CGMI is a registered as both a broker-dealer and as an investment adviser under federal and state securities laws, and provides services in both capacities. It is important to understand that investment advisory and brokerage services are separate and distinct and each is governed by different laws and separate contracts. While there are similarities among the advisory and brokerage services, depending on the capacity in which CGMI acts, there are several fundamental differences between brokerage services and advisory services. Brokerage services primarily involve assisting the client with the purchase and sale of securities, with the provision of investment advice being only incidental to those services. Investment advisory services, on the other hand, primarily involve separately agreeing with the client to provide investment advice to meet comprehensive financial goals.

A fundamental difference between brokerage services and advisory services is how fees are charged. Brokerage service fees are transaction-based, meaning CGMI is compensated each time it executes a transaction for a client

and not for providing incidental investment advice. Advisory services described in this brochure are generally asset-based. Clients who participate in the advisory programs described in this brochure and who pay asset-based fees for a variety of services may pay more or less for these services than if they purchased the services separately, including if they opened brokerage accounts and paid brokerage commissions.

A.3. Clearing and Custody Services

Pershing LLC together with certain of its affiliates (“Pershing” or “Clearing Firm”) acts as clearing firm and/or custodian in connection with certain of the advisory programs described herein. In its capacity as clearing firm, Pershing may provide a variety of services for the advisory programs, which may include, but are not limited to, holding client account assets in custody, settling transactions, sending trade confirmations, account statements and tax reporting documentation, and providing other operational account-related services. Clearing Firm will not, however, provide (and should not be construed as providing) clients with any investment advice for any reason in connection with the advisory programs. In connection with certain advisory programs described herein, Citibank, N.A. (“Citibank”), as a qualified custodian will maintain custody of client assets. In serving as a qualified custodian, Citibank may utilize certain back office services of Securities and Fund Services, a business affiliated with CGMI. In limited circumstances, an unaffiliated third-party qualified custodian will maintain custody of client assets.

CGMI reserves the right at any time, and without notice to clients, to terminate the delegation of some or all of these services and to assume the performance of some or all of these services itself in place of Clearing Firm.

A.4. Types of Advisory Services Offered

An investment in any program described in this brochure is speculative and involves the risk of loss of capital. No guarantee or representation is made that any such program or any underlying investment purchased in connection with such program will achieve its investment objectives or be able to avoid losses. The past performance of a program or any underlying investment purchased in connection with such program is not necessarily indicative of future performance. Neither CGMI nor any of its affiliates makes any representations or warranties in this brochure with respect to the present or future level of risk or volatility in any program or investment, or any program’s or investment’s future performance or activities.

Fiduciary Services Program

In the Fiduciary Services Program (“FS”), CGMI (or an affiliate) retains unaffiliated investment managers to manage client accounts within a certain investment strategy. The Clearing Firm provides custody services for client accounts, and both CGMI and Clearing Firm provide trade execution and related services.

Within FS, clients may generally invest in equity, balanced and multi-style portfolios, or fixed income portfolios. To be eligible to participate in FS, the client must generally have a minimum of \$500,000 in CGMI investment advisory accounts of members of the same household. However, certain investment managers, firms and investment styles may require different minimums. Many of the investment managers CGMI may retain for FS clients are otherwise available only to clients with significantly greater assets to invest.

Services Provided

In FS, CGMI or an affiliate, if applicable, assists the client in the review and evaluation of investment objectives for each account through the use of a questionnaire and, if appropriate, updated client information. CGMI analyzes a client’s investment objectives and retains (either directly or through an affiliate) on the client’s behalf one or more investment managers to manage assets in accordance with those objectives. Each investment manager is responsible for a separate account. The client enters into an investment advisory agreement with CGMI whereby the client (i) provides CGMI with the discretion to retain one or more investment managers on the client’s behalf and (ii) appoints any such investment manager retained by CGMI as an investment adviser to the client with discretion to select securities and investments for the client. In the investment advisory agreement, the client authorizes each investment manager, as investment adviser to the client, to exercise the foregoing discretion by either (i) implementing investment decisions directly or (ii) in certain circumstances that are reviewed by CGMI, retaining another investment adviser (a registered investment adviser or bank, both affiliated and non-affiliated) to implement the investment decisions. CGMI (or an affiliate) separately contracts with each investment manager participating in FS as to the terms of such investment manager’s participation in FS.

Although clients are not prohibited from directly contacting an investment manager retained by CGMI to manage client accounts, clients are encouraged to use their CGMI adviser as their primary contact.

Evaluation and Selection of Investment Managers

CGMI will recommend one or more investment managers to serve as investment advisers of client accounts, based on each client's objectives and circumstances. The actual selection of an investment manager is entirely up to the client. CGMI recommends only investment managers that have been evaluated and reviewed by CGMI or an affiliate (or a third party retained by CGMI or an affiliate), as described in "Item 6.A—Research in Advisory Programs," and in the multi-style product, only investment managers who are capable of managing blended portfolios within a single account.

Investment managers must be reviewed and evaluated, meeting either the "CitiFocus List" or "CitiAccess List" standard (as defined in "Item 6.A—Research in Advisory Programs"), to be eligible to be an investment manager in FS.

In the event of a Downgrade (as defined in "Item 6.A—Research in Advisory Programs"), where an investment manager no longer meets the CitiFocus List or CitiAccess List standards, either (i) a replacement manager will be selected by client (or, if client fails to select a replacement manager, by CGMI) from recommendations provided by CGMI, or (ii) client's investment advisory agreement will automatically terminate upon a date selected by CGMI and communicated to client with reasonable advance notice. In the event client wishes to continue to retain an investment manager subject to a Downgrade, CGMI will (a) make no further representations concerning such investment manager, (b) not assume any further liability for any loss, claim, damage or expense attributable to client's determination and (c) not continue to evaluate or make any representations regarding the competence of such investment manager.

Before an investment manager is engaged or a client's assets are transferred from the current investment manager to another investment manager, CGMI will attempt to notify the client orally or in writing and will attempt to obtain the oral or written concurrence of the client. It is understood, however, that CGMI need not seek or obtain a client's concurrence if it has been unable to obtain oral or written direction from such client regarding the engagement or transfer. CGMI also maintains a "Watch" policy for investment managers in FS. CGMI's Watch policy is more fully described in "Item 6.A—Research in Advisory Programs." A Watch status may, but is not certain to, result in a Downgrade of the investment manager's recommended status.

Account Information

CGMI (either directly, through Clearing Firm or a third party vendor) confirms all transactions executed through CGMI or Clearing Firm and provides account statements at least quarterly. Clients also receive periodically a "Performance Review," which is a statistical review and analysis of the account. Clients may elect to waive the receipt of trade confirmations after the completion of each trade in favor of incorporation into client account statements. Clients may also receive mutual fund prospectuses, where appropriate.

In FS, a client may request in writing that certain specified securities or a category of securities not be purchased or sold for an account. CGMI may reject any restriction it believes it may not be able to effectively implement or monitor. This will impact the performance of the account relative to an account that is fully invested in securities. In the event a category is restricted, CGMI or the investment manager, as applicable, will determine in its sole discretion the specific securities that will be treated as falling within the restricted category provided that CGMI or the investment manager will be bound only by the plain investment meaning of restrictions that it accepts and will have no obligation to determine the legal meaning or interpretation of any restriction. In making this determination, CGMI or the investment manager may rely on outside sources, such as standard industry codes and research furnished by independent service providers.

Fees

FS is available only on the basis of an asset-based fee paid to CGMI. The fee includes fees or charges of CGMI and Clearing Firm (including brokerage commissions for trades executed at CGMI or Clearing Firm, compensation to client's CGMI adviser, custodial charges and the investment manager's fee). The fee does not include the following: (a) fees or charges for services provided by CGMI, an affiliate (if applicable) or third parties which are outside the scope of FS (e.g., retirement plan administration fees, trustee fees, wire transfer fees, etc.); (b) any taxes or fees or their equivalent imposed by exchanges or regulatory bodies; (c) brokerage commissions and other fees and charges imposed because an investment manager chooses to effect securities transactions with or through a broker-

dealer other than CGMI or Clearing Firm; and (d) certain other fees and charges described herein (see “Item 4.C–Additional Information Regarding Fees and Charges”). Transactions in fixed income and certain other securities generally involve the payment of mark-ups or mark-downs or other charges to dealers other than CGMI or Clearing Firm in addition to the asset-based fees. The standard annual fees are as follows.

Fiduciary Services Program

The total fee to be paid in connection with a client account will be computed using the different rates applicable to each range of asset values, as shown on the fee schedule below. The total fee will be a “blend” of the different rates applicable to each range of asset values.

Equity, Balanced and Multi-Style Accounts

Account Asset Values		Account Asset Values Ranges		CGMI Annual Account Fee
On the First	\$500,000.00	\$0.00	- \$500,000.00	3.00%
On the Next	\$500,000.00	\$500,000.00	- \$1,000,000.00	2.20%
On the Next	\$1,000,000.00	\$1,000,000.00	- \$2,000,000.00	1.90%
On Assets Over	\$2,000,000.00	\$2,000,000.00	- and above	1.70%

Fixed Income Accounts

Account Asset Values		Account Asset Values Ranges		Annual Account Fee
On the First	\$500,000.00	\$0.00	- \$500,000.00	1.25%
On the Next	\$500,000.00	\$500,000.00	- \$1,000,000.00	1.00%
On the Next	\$1,000,000.00	\$1,000,000.00	- \$2,000,000.00	0.85%
On Assets Over	\$2,000,000.00	\$2,000,000.00	- and above	0.75%

CGMI will be entitled to a minimum annual fee of \$1,500 for equity, balanced and multi-style portfolios, and \$1,250 for fixed income portfolios. In addition, the client will bear a proportionate share of the fees and expenses incurred by any mutual funds in which the client is invested. The prospectus of each of these mutual funds describes these internal fees and expenses in detail. For more information relating to fees, see “Item 4.C–Additional Information Regarding Fees and Charges” and “Item 9.B.1–Compensation from Funds.”

Fees are negotiable based on a number of factors, which may result in a particular client paying a fee greater or lesser than the standard fees. Fees are generally payable quarterly in advance. The portion of the asset-based fee paid by CGMI to investment managers depends upon the asset class, the investment style and the total amount of assets allocated to the investment manager in FS. CGMI generally pays its investment managers based on the following table:

Investment Styles

Annual FS Fee

All Cap, Large Cap,
Large Cap Balanced,
Convertible Securities,
Real Estate Investment Trusts (REITs)

Between 0.34% and 0.50%

Mid Cap

Between 0.40% and 0.50%

Multi-Style

Between 0.39% and 0.47%

Small Cap
Small/Mid Cap

Between 0.40% and 0.55%

Fixed Income

Between 0.18% and 0.35%

Global, International or Emerging Markets,

Between 0.36% and 0.48%

Non Diversified Portfolios

The investment manager fees listed herein are subject to change without notice. In the case of equity, balanced and multi-style portfolios, CGMI segregates 0.45% of the fee which is charged to clients, or in the case of fixed income portfolios, 0.30% of the fee, and applies all or a portion of it to the asset-based fee paid to investment managers. When CGMI's payment to an investment manager is less than the segregated amount (0.45% or 0.30%, respectively), CGMI retains a larger portion of the fee charged to clients. Thus, CGMI has an incentive to recommend investment managers that are paid less, because it will retain a higher fee. When CGMI's payment is greater than the segregated amount, CGMI supports the fee to the investment manager and in effect retains a lesser portion of the fee charged to clients. No portion of the segregated amount is paid to CGMI advisers, who therefore have no direct financial incentive to recommend one investment manager over another investment manager that offers the same investment style. However, CGMI advisers' compensation is directly affected by the size of the client's annual fee. Therefore CGMI advisers may have an incentive to recommend equity, balanced and multi-style portfolios over fixed income portfolios since the former have higher standard annual fees than the latter.

Citi ETF Program

NOTE: This program is not currently open to new clients. Should you be interested in a managed account program with features similar to this program, please consult your CGMI adviser.

The Citi ETF Program ("Citi ETF") is a discretionary, multiple discipline managed account program that combines exchange traded funds ("ETFs") with active asset allocation advice. The minimum account size for a Citi ETF account is generally \$25,000.

Services Provided

CGMI assists the client in the establishment and/or review of investment objectives and/or risk profile and/or investment model for each client account through the use of a questionnaire and, if appropriate, updated client information. Based upon CGMI's review and evaluation of the client's investment objectives, the client and/or CGMI select a portfolio. A portfolio is a multi-style investment approach that allocates assets in the account to specific investment strategies using ETFs.

Each of the available portfolios will represent a different asset allocation appropriate for a different investment objective/risk tolerance. The Multi-Asset Class Solutions Investment Committee (the "MACS IC") of Citi Investment Management ("CIM"), a business unit of Citibank and an affiliate of CGMI, is responsible for setting the asset allocation of the "mid-level," balanced portfolio, the portfolio which is aimed at, firstly, modest capital appreciation and, secondly, preservation of capital. Using the "mid-level," balanced portfolio as a guideline, CGMI sets the asset allocation for other portfolios in accordance with their respective risk tolerances. Each portfolio is allocated in varying percentages among various asset allocation categories and classes. Currently, asset allocation categories and classes are as follows: (i) cash and short term investments, including cash equivalents, (ii) fixed income investments, including U.S. bonds, high yield/emerging market debt, and (iii) equity investments, including, U.S. large capitalization, U.S. mid-capitalization, U.S. small capitalization, Europe, Japan, Asia Pacific (ex-Japan), emerging markets. The asset allocation categories and classes utilized are subject to change.

All asset allocations established from time to time for a portfolio are developed by first starting with a traditional baseline determined to be appropriate based on the relevant investment objective/risk tolerance. Then, strategic asset allocation concepts are applied by looking ahead ten (10) years to determine how each asset class should be weighted in the portfolio to reflect its long-term economic and market forecast. Finally, tactical asset allocation concepts are applied by looking ahead three (3) to twelve (12) months to determine how to shift asset allocation weightings to reflect short-term economic and market forecasts. The asset allocations established reflect many variables. CGMI and its affiliates may offer other investment management and other programs which may be based on different methodologies than Citi ETF and which might result in different asset allocations, asset classes or investments than Citi ETF.

The MACS IC reviews and considers the asset allocation of the "mid-level," balanced portfolio at least quarterly. In unusual market or economic circumstances, the MACS IC may adjust asset allocations more frequently than quarterly. If the MACS IC determines that the asset allocation should not be changed, the MACS IC may leave the asset allocation unchanged for as long as the MACS IC deems appropriate. Using the "mid-level," balanced portfolio as a guideline, CGMI will adjust the asset allocation of the other portfolios in accordance with their

respective risk tolerances. Changes in the asset allocation will likely result in transactions in a client portfolio, and these transactions could have tax consequences for a client account.

In accordance with client's investment objectives, CGMI is specifically granted investment discretion to invest and reinvest the proceeds in the portfolio in ETFs. Unless otherwise specified, Clearing Firm provides custody services for client accounts, and both CGMI and Clearing Firm provide execution and related services.

The Overlay Manager provides administrative, management and/or technical services designed to implement investment decisions on clients' behalf. Such services will include investing and re-investing all of the assets in a portfolio and implementing investment decisions made by CGMI. For further information regarding the operations of the Overlay Manager, see "Item 4.A.5—Execution of Transactions when Citi is the Overlay Manager," "Item 4.A.5—Citi's Role as Overlay Manager," and "Item 4.A.5—Aggregation of Trade Orders; Trade Allocation; and Restrictions when Citi is the Overlay Manager."

CGMI may change available ETFs in a portfolio in its sole discretion at any time and for any reason. In addition, in the event of a disruption, CGMI may liquidate a portfolio (in whole or in part), and invest the proceeds in money market funds or other cash equivalents. This may result in tax consequences (capital gains) for the client. Before a new portfolio is selected for a client, CGMI will generally attempt to notify the client orally or in writing and will attempt to obtain the oral or written concurrence of the client. It is understood, however, that CGMI need not seek or obtain a client's concurrence if it has been unable to obtain oral or written direction from such client regarding the change in a portfolio. Client may also request in writing or verbally that a new portfolio be selected for the client, and CGMI will implement that change as soon as is reasonably practicable.

Investment Product Selection

Each ETF shall be selected from the universe of ETFs that have been screened and determined to comply with Citigroup's "Investment Products Risk Procedures Regarding the Solicitation of Exchange Traded Products" policy ("IPR Policy"). See "Item 6.A—Research in Advisory Programs".

In exercising its discretion in Citi ETF, CGMI and its affiliates have established the Manager Approval and Review Committee ("MARC") to select (from the universe of ETFs complying with the IPR Policy) a subset of ETFs eligible for inclusion in the program. CGMI selects the actual ETFs for inclusion in a client's portfolio from the subset. The MARC has established various criteria that are used to screen affiliated and unaffiliated ETFs. These criteria are subject to change from time to time. In addition, the MARC may utilize the services of an independent consulting firm in the business of evaluating the capabilities of ETFs to assist in the ETF selection process.

CGMI may select an ETF for an asset class within a portfolio that invests in securities outside of such asset class so long as the MARC determines that such ETF's primary focus is on securities within such asset class. In terms of performance criteria, an ETF's performance generally will be assessed versus a performance benchmark for the relevant asset class and versus other ETFs in the asset class for consistency of performance and style. In terms of qualitative criteria, the MARC, in general, seeks to select ETFs that have stable investment teams, as evidenced by low staff turn-over rates and a well-defined investment management philosophy and process.

CGMI undertakes periodic reviews of a broad range of factors to determine whether each ETF remains appropriate for clients given their selected portfolio. Factors considered include investment performance, staffing, operational and compliance issues and financial condition. CGMI also considers as a factor, whether the ETF continues to satisfy the criteria that it applies in determining whether to include an ETF in a portfolio in the first instance.

Account Information

CGMI (either directly, through Clearing Firm or a third party vendor) confirms all transactions executed through CGMI or Clearing Firm and provides account statements at least quarterly. Clients also receive periodically a "Performance Review," which is a statistical review and analysis of the account. Clients may elect to waive the receipt of trade confirmations after the completion of each trade in favor of incorporation into client account statements. Clients may also receive ETF and mutual fund prospectuses, where appropriate.

In Citi ETF, client may request in writing that certain specified ETFs or certain categories of ETFs not be purchased for a client portfolio. CGMI may reject any restriction it believes it may not be able to effectively implement or monitor. If an ETF or category of ETFs is restricted, the portion of the account that would have been invested in the ETF or categories of ETFs will be invested in cash equivalents or short-term fixed income instruments at the discretion of CGMI or the entity (affiliated or non-affiliated) delegated such overlay responsibilities. Investment in

cash equivalents or short-term fixed income instruments pursuant to such a restriction will impact the performance of the account relative to an account that is fully invested in ETFs. Because ETFs are pooled investment vehicles, it will not be possible for CGMI to accommodate requests for restrictions on individual securities.

Fees

The client pays an asset-based fee to CGMI, which includes fees or charges of CGMI and Clearing Firm (including brokerage commissions for trades executed at CGMI or Clearing Firm, compensation to any applicable CGMI adviser, Clearing Firm custodial charges, and the fee services provided by the Overlay Manager). The fee does not include the following: (a) charges for services provided by CGMI, their affiliates or third parties (including Clearing Firm) which are outside the scope of Citi ETF (e.g., retirement plan administration fees, trustee fees, wire transfer fees, etc.); (b) any taxes or fees imposed by exchanges or regulatory bodies; and (c) brokerage commissions and other fees and/or charges imposed because CGMI or the Overlay Manager, as applicable, chooses to effect securities transactions for the portfolio with or through a broker-dealer other than CGMI or Clearing Firm. Transactions in fixed income and certain other securities generally involve the payment of mark-ups or mark-downs or other charges to dealers other than CGMI or Clearing Firm in addition to the asset-based fees. In addition to the fee, each account will pay its proportionate share of the fees and expenses incurred by any mutual funds or ETFs in which the account is invested. See “Item 4.C–Additional Information Regarding Fees and Charges.” The standard annual fee for Citi ETF is as follows.

Citi ETF Program

The total fee to be paid in connection with a client account will be computed using the different rates applicable to each range of asset values, as shown on the fee schedule below. The total fee will be a “blend” of the different rates applicable to each range of asset values.

Assets	CGMI Annual Fee
First \$250,000	2.00%
Next \$250,000	1.75%
Next \$500,000	1.50%
Next \$1,000,000	1.25%
Next \$3,000,000	1.00%
Next \$2,500,000	0.75%
Over \$7,500,000	0.50%

Fees are negotiable based on a number of factors, which may result in a particular client paying a fee greater or less than the standard fees. Fees are generally payable quarterly in advance.

Dynamic Allocation Portfolios – UMA Program

NOTE: The “Firm Discretion” election (as described further in this section) in this program is not currently open to new clients. All other elections within this program, however, are still open to new clients. Should you be interested in a managed account program with features similar to the “Firm Discretion” election, please consult your CGMI adviser.

The Dynamic Allocation Portfolios – UMA Program (“DAP”) is a “Unified Managed Account” program. In DAP, CGMI acts as an investment adviser, assisting clients in establishing and/or reviewing investment objectives and selecting a portfolio. The portfolio is generally implemented by the Overlay Manager, and is comprised of some or all of the following: (i) mutual funds; (ii) ETFs; (iii) securities which the Overlay Manager invests in based on a model portfolio provided by one or more investment managers; and/or (iv) securities which an investment manager invests in based on its own investment decisions. See “Item 4.A.5–Execution of Transactions when Citi is the Overlay Manager,” “Item 4.A.5–Citi’s Role as Overlay Manager,” and “Item 4.A.5–Aggregation of Trade Orders; Trade Allocation; and Restrictions when Citi is the Overlay Manager” for more information on portfolio implementation and overlay services provided by the Overlay Manager. The minimum account size for DAP is generally \$25,000.

Services Provided

CGMI or an affiliate, if applicable, assists the client in the establishment and/or review of investment objectives for each account through the use of a questionnaire and, if appropriate, updated client information. Based on a review

and evaluation of the client's investment objectives, CGMI or an affiliate, if applicable, and the client select a portfolio. A portfolio is a multi-style investment approach that allocates assets in the client account to specific investment strategies. In order to construct the portfolio, CGMI and the client will select an asset allocation investment model (a "Model"). The Model will be either (i) a Model selected by the client from among investment models pre-defined by CGMI or an affiliate (referred to herein as a "pre-defined" Model, where each such pre-defined Model will represent a different asset allocation appropriate for a different investment objective/risk tolerance) or (ii) a Model defined by client (referred to herein as a "custom" Model, where the Model will be comprised of one or more asset classes). With respect to portfolio construction, CGMI will offer one or more of each of the following investment products for each asset class included in a Model: mutual funds, ETFs and/or investment managers (i.e., separate managed accounts for which investment managers either provide the Overlay Manager with a model portfolio or implement investment decisions directly). Clearing Firm provides custody services with respect to client accounts, and both CGMI and Clearing Firm provide execution and related services.

Pre-Defined Model

Each of the available pre-defined Models represents a different asset allocation appropriate for a different investment objective/risk tolerance. In the event that client has selected a pre-defined Model, the MACS IC of CIM is responsible for setting the asset allocation of the "mid-level," balanced investment objective/risk tolerance Model, the Model which is aimed at, firstly, modest capital appreciation and, secondly, preservation of capital. Using the "mid-level," balanced Model as a guideline, CGMI sets the asset allocation for the remaining Models in accordance with their respective risk tolerances. Currently, asset allocation categories and classes are as follows: (i) cash and short term investments, including cash equivalents, (ii) fixed income investments, including short term municipal debt, municipal bonds, U.S. bonds, high yield/emerging market debt, (iii) equity investments, including, U.S. large capitalization, U.S. small capitalization, Europe, Japan, Asia Pacific (ex-Japan), emerging markets, and (iv) alternative investments (which include only investment funds registered with the SEC). The asset allocation categories and classes utilized are subject to change.

All asset allocations established from time to time for a Model are developed by first starting with a traditional baseline determined to be appropriate based on the relevant investment objective/risk tolerance. Then, strategic asset allocation concepts are applied by looking ahead ten (10) years to determine how each asset class should be weighted in the Model to reflect its long-term economic and market forecast. Finally, tactical asset allocation concepts are applied by looking ahead three (3) to twelve (12) months to determine how to shift asset allocation weightings to reflect short-term economic and market forecasts. The asset allocations established reflect many variables. CGMI and its affiliates may offer other investment management and other programs which may be based on different methodologies than DAP and which might result in different asset allocations, asset classes or investments than DAP.

The MACS IC reviews and considers the asset allocation of the "mid-level," balanced pre-defined Model at least quarterly. In unusual market or economic circumstances, the MACS IC may adjust that Model's asset allocation more frequently than quarterly. If the MACS IC determines that the asset allocation should not be changed, the MACS IC may leave that Model's asset allocation unchanged for as long as the MACS IC deems appropriate. Using the "mid-level," balanced Model as a guideline, CGMI will adjust the asset allocation of the other Models in accordance with their respective risk tolerances. Changes in the asset allocation will likely result in transactions in a client portfolio, and these transactions could have tax consequences for a client account.

With respect to portfolio construction, the client may elect that either (i) the client and CGMI or (ii) only CGMI will construct the portfolio by populating each asset class comprising the Model with one or more investments (the case where client elects that only CGMI construct the portfolio being referred to herein as "Firm Discretion"). In the case where client elects Firm Discretion, client grants CGMI discretion to select investments comprising the portfolio. In Firm Discretion, CGMI will restrict its selection of investments to the type of investments (mutual fund, ETF or separate accounts) designated by client in its investment advisory agreement with CGMI. See "Dynamic Allocation Portfolios UMA Program—Investment Product Selection" for more information regarding investment product selection in Firm Discretion. If client elects Firm Discretion, only the type of investment product designated by client will be utilized to populate the asset classes comprising the Model.

Custom Model

In the event that client has selected a "custom" Model, client will define the Model by setting the asset allocation for the Model and adjusting the asset allocation from time to time as client deems appropriate. In this event, CGMI will

not pre-define the Model and CGMI will not set or adjust the asset allocation for the Model. Client will indicate the initial asset allocation for the Model, and will advise CGMI (verbally or in writing) of any change in the asset allocation for the Model desired by client. Changes in the asset allocation will likely result in transactions in a client portfolio, and these transactions could have tax consequences for a client account.

With respect to portfolio construction, the client and CGMI will construct the portfolio by populating each asset class comprising the Model with one or more investments.

Clients that select a “custom” Model may not elect Firm Discretion.

Investment Managers and the Overlay Manager

Pursuant to an agreement with CGMI, the Overlay Manager shall generally invest and re-invest the assets in each client portfolio, except that in certain strategies, investment managers may be granted responsibility by CGMI to implement investment decisions directly by placing orders for the execution of transactions (such investment managers being referred to herein as “executing” investment managers). In the investment advisory agreement with CGMI, a client authorizes each applicable investment manager and executing investment manager to act as investment adviser to the client. Specifically, the client authorizes each applicable investment manager, as investment adviser to the client, to exercise discretion to select securities for the client’s account by either (i) implementing its investment decisions directly (in the case of executing investment managers) or (ii) delivering a model portfolio to the Overlay Manager for implementation and overlay services (in the case of all other investment managers).

CGMI and the Overlay Manager will enter into agreements with each of the investment managers to be responsible for providing a model portfolio to the Overlay Manager or for implementing investment decisions directly with respect to a designated asset class(es).

The Overlay Manager will seek to invest the client’s portfolio in a manner consistent with the Model and investment products selected by the client and CGMI (or CGMI, as applicable), and the model portfolio provided by any applicable investment manager, as qualified by any client instructions accepted by the Overlay Manager. CGMI may change the Overlay Manager (which change may involve CGMI selecting an overlay manager that is or is not affiliated with CGMI) in its sole discretion, at any time and for any reason. If there is a disruption in the services provided by the Overlay Manager for any reason, CGMI or an affiliate may act as the overlay manager during the period of the disruption. This may impact account performance. In addition, in the event of a disruption, CGMI may liquidate the applicable portfolio (in whole or in part), and invest the proceeds in money market funds or other cash equivalents.

Periodically, the Overlay Manager will re-balance the client’s account in accordance with a re-balancing protocol specified by CGMI and agreed to by the Overlay Manager. The re-balancing of the account by the Overlay Manager could have tax consequences for a client account. See “Item 4.A.5–Execution of Transactions when Citi is the Overlay Manager,” “Item 4.A.5–Citi’s Role as Overlay Manager,” and “Item 4.A.5–Aggregation of Trade Orders; Trade Allocation; and Restrictions when Citi is the Overlay Manager” for more information on portfolio implementation and overlay services provided by the Overlay Manager.

Investment Product Selection

Each mutual fund and investment manager (except for any mutual fund or investment manager that is an affiliate of CGMI) included as an investment product in DAP shall be selected from the universe of mutual funds and investment managers with which CGMI has entered into an agreement and for which CGMI or an affiliate (or a third party retained by CGMI or an affiliate) has performed research meeting the CitiAccess List or more rigorous CitiFocus List standard and determined that CGMI can recommend the investment product (see “Item 6.A–Research in Advisory Programs”). Each ETF included as an investment product in DAP must be screened and determined to comply with the IPR Policy (see “Item 6.A–Research in Advisory Programs”).

In the event that CGMI makes a determination that an investment product previously recommended is no longer approved for DAP, either (i) a replacement investment product shall be selected by CGMI and client (or by CGMI, if client elects Firm Discretion) from recommendations provided by CGMI or (ii) the investment advisory agreement with CGMI shall automatically terminate upon a date selected by CGMI and communicated to client with reasonable advance notice. Unless client has elected Firm Discretion, before an investment product is selected or client’s assets are transferred from the current investment product to another investment product, CGMI or an affiliate will attempt to notify client orally or in writing and will attempt to obtain the oral or written concurrence of

client. It is understood, however, that CGMI or an affiliate need not seek or obtain client's concurrence if CGMI has not obtained oral or written direction from client regarding the change in investment products. Additionally, notwithstanding the foregoing, if (i) the amount in an investment product or Model in a client's portfolio falls below the minimum for that investment product or Model (due to re-balancing, market activity or any other reason) or (ii) an investment manager elects to terminate its investment advisory relationship with client, CGMI may (without further consent from client) transfer client's assets to another appropriate investment product or Model, which investment product or Model has a minimum investment for which the portfolio qualifies.

In the case where client elects Firm Discretion, CGMI and its affiliates have established the MARC to select (from the universe of researched mutual funds and investment managers meeting the CitiAccess List or CitiFocus List standard, or in the case of ETFs complying with the IPR Policy) a subset of mutual funds, investment managers, or ETFs eligible for inclusion in the program. CGMI selects the actual mutual funds, investment managers, or ETFs for inclusion in a client's portfolio. The MARC has established various criteria that are used to screen affiliated and unaffiliated mutual funds, investment managers, and ETFs. These criteria are subject to change from time to time. In addition, the MARC may utilize the services of an independent consulting firm in the business of evaluating the capabilities of mutual funds, investment managers, and ETFs to assist in the selection process.

CGMI may select a mutual fund, ETF or investment manager for an asset class within a Model that invests in securities outside of such asset class so long as the MARC determines that such mutual fund's, ETF's or investment manager's primary focus is on securities within such asset class. In terms of performance criteria, a mutual fund's, ETF's or investment manager's performance generally will be assessed versus a performance benchmark for the relevant asset class and versus other mutual funds, ETFs and investment managers in the asset class for consistency of performance and style. In terms of qualitative criteria, the MARC, in general, seeks to select mutual funds, ETFs and investment managers that have stable investment teams, as evidenced by low staff turn-over rates and a well-defined investment management philosophy and process.

CGMI undertakes periodic reviews of a broad range of factors to determine whether each mutual fund, ETF and investment manager remains appropriate for clients given their selected Model. Factors considered include investment performance, staffing, operational and compliance issues and financial condition. CGMI also considers as a factor, whether the mutual fund, ETF or investment manager continues to satisfy the criteria that it applies in determining whether to include a mutual fund, ETF or investment manager in a portfolio in the first instance.

In DAP, a client may request in writing that certain specified securities, or certain categories of securities, not be purchased for the account or sold from the account. In the event that a security or category of securities may not be purchased, the portion of the account that would have been invested in such security or category of securities will be invested in a Bank Deposit Program account or money market sweep fund. This will impact the performance of the account relative to an account that is fully invested in securities. In the event a category is restricted, the Overlay Manager or DAP Administrator (if relevant) will determine in its discretion the specific securities that will be treated as falling within the restricted category; provided that the Overlay Manager or DAP Administrator (if relevant) shall be bound only by the plain investment meaning of restrictions that it accepts and shall have no obligation to determine the legal meaning or interpretation of any restriction. In making this determination, the Overlay Manager and DAP Administrator (if relevant) may rely on outside sources, such as standard industry codes and research furnished by independent service providers. Restrictions imposed by client on the management of the account will not apply to or affect the internal management of a mutual fund or ETF purchased for the account in accordance with the portfolio selected by client. Each mutual fund and ETF is managed in accordance with its own investment objectives and guidelines set forth in its prospectus.

Account Information

CGMI (either directly, through Clearing Firm or a third party vendor) confirms all transactions executed through CGMI or Clearing Firm and provides account statements at least quarterly. Clients also receive periodically a "Performance Review," which is a statistical review and analysis of the account. Clients may elect to waive the receipt of trade confirmations after the completion of each trade in favor of incorporation into client account statements. Clients may also receive mutual fund and ETF prospectuses, where appropriate.

Fees

The client pays an asset-based fee to CGMI. The fee includes fees or charges of CGMI and Clearing Firm (including brokerage commissions for trades executed at CGMI and/or Clearing Firm, compensation to any applicable CGMI adviser or an employee of a CGMI affiliate and Clearing Firm custodial charges). The CGMI Fee

does not include the following: (a) charges for services provided by CGMI, an affiliate (if applicable) or third parties (including, without limitation, Clearing Firm) which are outside the scope of DAP (e.g., retirement plan administration fees, trustee fees, wire transfer fees, etc.); (b) any taxes or fees imposed by exchanges or regulatory bodies; and (c) brokerage commissions and other fees and charges imposed because the Overlay Manager or executing investment manager chooses to effect securities transactions for a client account with or through a broker-dealer other than CGMI or Clearing Firm. Additionally, the client also pays additional fees to the investment manager, which are separate from and in addition to the fee client pays to CGMI. Finally, if a mutual fund or ETF is used as an investment product, any such fund may pay its own separate investment advisory fees and other expenses to the fund manager or other service provider (which service provider may be affiliated with CGMI). These fees and expenses will be in addition to the foregoing fees paid by client.

CGMI or Clearing Firm, as applicable, may receive from money market funds and their affiliates recordkeeping and sub-transfer agency fees (which include shareholder sub-accounting and networking fees) and 12b-1 fees at an annual rate of up to 0.25% of the amount of assets invested in each such fund, for recordkeeping and sub-transfer agency services provided by CGMI or Clearing Firm, as applicable, to such fund or its service providers. A portion of these fees may represent revenue sharing if and to the extent that they exceed what the money market fund would otherwise have paid for such services. The amount of sub-transfer agency fees may change from time to time. Also, certain transactions in fixed income and certain other securities may involve dealer mark-ups or mark-downs or other charges in addition to the asset-based fees, although generally CGMI will not realize any additional

compensation. See “Item 4.C–Additional Information Regarding Fees and Charges” and “Item 9.B.1–Compensation from Funds.” The standard annual fee for DAP is as follows.

Dynamic Allocation Portfolios– UMA Program

The total fee to be paid in connection with a client account will be computed using the different rates applicable to each range of asset values, as shown on the fee schedule below. The total fee will be a “blend” of the different rates applicable to each range of asset values.

Account Asset Values		Account Asset Values Ranges	CGMI Annual Account Fee
On the First	\$250,000	\$0.00 - \$250,000	2.00%
On the Next	\$250,000	\$250,000 - \$500,000	1.75%
On the Next	\$500,000	\$500,000 - \$1,000,000	1.50%
On the Next	\$1,000,000	\$1,000,000 - \$2,000,000	1.25%
On the Next	\$3,000,000	\$2,000,000 - \$5,000,000	1.00%
On the Next	\$45,000,000	\$5,000,000 - \$50,000,000	0.50%
On Assets Over	\$50,000,000	\$50,000,000 and above	0.30%

Fees are negotiable based on a number of factors, which may result in a particular client paying a fee greater or less than the standard fees. Fees are generally payable quarterly in advance.

As indicated above, the mutual fund, ETF and investment manager fees are separate from the client fee charged by CGMI. The investment manager fees are also asset-based annual fees that generally range from 0.20% to 0.75% (depending on the investment manager and the investment strategy of the investment manager). For certain investment styles there may be a mutual fund and separate managed account offered by the same investment manager and, therefore, the underlying investments in the mutual fund and separate managed account may be substantially identical. Because the underlying expenses and fees of the separately managed account are generally lower and the performance of a separately managed account is generally higher than the comparable mutual fund, if the client meets the minimum level of investment for the separate managed account, the client may have a financial benefit to select the separate managed account as the investment product.

Citi Advisor Program

Services Provided

The Citi Advisor Program (“Citi Advisor”) is an investment advisory program designed to assist a client in devising and implementing a systematic, long-term investment strategy tailored to the client's financial circumstances. Citi Advisor assists clients in evaluating their investment objectives and risk tolerances and enables them to invest in a broad array of “Eligible Assets” (as defined below). Citi Advisor is a non-discretionary investment program in

which all investment decisions are made by the client. Neither CGMI nor any affiliated entity has any investment discretion over a client's Citi Advisor account. To be eligible to participate in Citi Advisor, the client must generally have a minimum of \$25,000 in Eligible Assets (as defined below) in CGMI investment advisory accounts of members of the same household as client. If assets in the account(s) fall below this amount, CGMI may, in its discretion, terminate the investment advisory agreement and remove the account from Citi Advisor.

The Citi Advisor program consists of the following elements:

- **The Investment Proposal:** CGMI will assist with the review and evaluation of a client's investment objectives. In order to develop a client's overall suitability, CGMI will review and evaluate a client's financial goals and risk tolerances based on an investment questionnaire that the CGMI adviser completes with the assistance of the client, to reflect the client's situation. In reviewing client's suitability, CGMI may consider assets that are not contained in the client's account. Based on the investment questionnaire, CGMI will prepare an investment proposal containing investment recommendations that are consistent with the client's investment objectives (the "Investment Proposal"). The Investment Proposal provides specific advice about implementing investment decisions through Eligible Assets, which cover a spectrum of investments.

Based on the investment questionnaire, CGMI will also perform an asset allocation analysis. In the event the client notifies CGMI of a change in the client's investment suitability and objectives contained in the investment questionnaire or the Investment Proposal, CGMI will generate a revised Investment Proposal, and if necessary, suggest rebalancing of the account's asset allocation in accordance with the updated information.

- **Investment Services:** CGMI will periodically provide the client with investment advice, consistent with the client's investment objectives, and pursuant to the client's consent, which will be obtained prior to each transaction, will effect accepted transactions in the account.

"Eligible Assets" consist of (a) domestic equity and certain other securities (other than Citigroup Securities as defined below); (b) certain foreign equity securities; (c) certain options on domestic equity securities or indices; (d) certain fee-based unit investment trusts as specified from time-to-time by CGMI ("UITs"); (e) load-waived shares or shares not offered with a load of certain mutual funds (open and closed) that may or may not be sponsored or advised by CGMI or its affiliates, as specified from time to time by CGMI; (f) load carrying shares of certain mutual funds (open and closed), as specified from time-to-time by CGMI, that have been purchased on a load basis outside of the account (such load-waived, no-load and load investment company shares collectively referred to as "No-Load/Load Funds"); (g) ETFs (other than Non-Traditional ETFs); (h) certain fixed-income securities (including, but not limited to, U.S. Treasury and federal agency securities, corporate bonds, convertible bonds, municipal bonds, preferred stock, and mortgage-backed securities) as specified from time to time by CGMI; and (i) cash and cash equivalents (e.g., money market funds and certain short-term fixed income securities) ("Cash Equivalents").

"Ineligible Assets" include, but are not limited to, securities issued by Citigroup or its affiliates (including but not limited to common stock, convertible preferred stock, shares of closed-end investment companies that may or may not be sponsored or advised by CGMI or its affiliates, American Depositary Receipts, and any rights or warrants on equity securities) ("Citigroup Securities"), Non-Traditional ETFs, exchange traded notes, structured products, insurance, annuities, limited partnership interests or units, precious metals or other commodities or futures thereon, options on futures, currency options, foreign currency, commercial paper, certificates of deposit issued by affiliates of CGMI, certificates of deposits (in retirement accounts), non-fee-based UITs, investment company shares and fixed income securities that are not Eligible Assets as described above.

CGMI may add or delete classes of securities or assets from the definition of Eligible Assets from time to time, and upon notice to the client. In addition, without notice to the client, CGMI may treat any No-Load/Load Fund or other asset that is in a Citi Advisor account as an Eligible Asset, in which case such No-Load/Load Fund or other asset will become an Eligible Asset. In addition, without notice to the client, CGMI may convert any No-Load/Load Fund in an account that is an Ineligible Asset to a share class of the same No-Load/Load Fund that is an Eligible Asset.

If a particular No-Load/Load Fund or other asset held in a Citi Advisor account becomes an Eligible Asset, CGMI will include the No-Load/Load Fund or other asset in the review and in the account asset value for purposes of calculating the client's Citi Advisor fee, and CGMI will provide the other services specified in the investment advisory agreement for that No-Load/Load Fund or other asset. If a No-Load/Load Fund or other asset becomes an

Eligible Asset during a billing period, the account may be subject to a pro-rata fee based on the number of days remaining in the billing period. Accordingly, any asset in a Citi Advisor account may be or become subject to the Citi Advisor fee.

In determining whether a family of No-Load/Load Funds should be available to clients, CGMI or an affiliate generally reviews and considers a number of factors, including, but not limited, to the number and variety of funds offered; length of track record and historic appeal to CGMI clients and CGMI advisers; short and long-term performance of the funds offered; size of assets under management; ability to support CGMI advisers and clients through training, education and sales literature; and level of interest and demand among clients and CGMI advisers. Of the No-Load/Load Funds available to Citi Advisor clients, not all of the funds are covered under the CitiFocus List or CitiAccess List standards as described in “Item 6.A–Research in Advisory Programs.”

CGMI and CGMI advisers may also provide other services in connection with Citi Advisor. Any such services will be specified in the investment advisory agreement between CGMI and the client.

Account Information

Citi Advisor is an ongoing investment advisory service. Once an account is active, the client receives a written review highlighting account performance. The review is a monitoring report containing an analysis and evaluation of the Citi Advisor account provided to assist the client in ascertaining whether the objectives for the Citi Advisor account are being met and recommending, when appropriate, changes in the allocation of assets among investment types. In addition to the review, the client receives account statements in any month in which there is activity and, in any event, quarterly. The client will also receive confirmations of all transactions.

Fees

Citi Advisor

The total fee to be paid in connection with a client account will be computed using the different rates applicable to each range of asset values, as shown on the fee schedule below. The total fee will be a “blend” of the different rates applicable to each range of asset values.

Account Asset Values		Account Asset Values Ranges	CGMI Annual Account Fee
On the First	\$500,000.00	\$0.00 - \$500,000.00	2.00%
On the Next	\$500,000.00	\$500,000.00 - \$1,000,000.00	1.50%
On the Next	\$1,000,000.00	\$1,000,000.00 - \$2,000,000.00	1.20%
On Assets Over	\$2,000,000.00	\$2,000,000.00 - and above	1.00%

The annual fee may be subject to negotiation. The annual fee and minimum amounts may differ based on a number of factors, including, but not limited to the amount of Citi Advisor assets and the number and range of supplemental advisory and client related services to be provided by CGMI and the CGMI adviser responsible for the Citi Advisor assets. The annual fee for participation in Citi Advisor by the client is generally payable quarterly, in advance.

Available mutual funds may be purchased by the client without the imposition of any initial or contingent deferred sales charges, but the mutual funds may impose short-term redemption fees. In addition to the CGMI fee, the client will bear a proportionate share of the fees and expenses incurred by the No-Load/Load Funds in which the client is invested. Clients should refer to the prospectus of each of these No-Load/Load Funds which describes these internal fees and expenses in detail. For more information relating to fees please, see “Item 4.C–Additional Information Regarding Fees and Charges” and “Item 9.B.1–Compensation from Funds.”

Citi Advisor is available only as an asset-based fee paid to CGMI. This fee covers the services described above, as well as custody of securities and trade execution with or through CGMI or Clearing Firm.

Any fee which a trust company affiliated or not affiliated with CGMI charges for its services (if applicable) as custodian and trustee for the Citi Advisor assets pursuant to a separate agreement between the client and the trust company will be charged separately.

Interest will be charged to a client’s account should the account at any time reflect a debit balance. The “net equity” value of assets, calculated as total assets less debit balance, will be used for the purpose of calculating the Citi Advisor fee.

A client or CGMI may terminate participation in Citi Advisor at any time by giving written or verbal notice to CGMI. If participation in Citi Advisor is terminated, any advisory fees paid in advance will be refunded on a pro-rata basis.

Citi Advisor fees may be lower, or waived, and/or subject to a lower minimum initial investment requirement to employees of CGMI and its affiliates, to their immediate families and to individual retirement accounts and certain employee pension benefit plans for these persons.

Additional Citi Advisor Considerations

Citi Advisor is a non-discretionary investment program in which all investment decisions are made by the client and where the client pays an asset-based fee to CGMI. CGMI acts in the capacity of an investment advisor and not as a broker-dealer. See “Item 2.A. -- Investment Advisory Services versus Brokerage Services” for a discussion on the differences between brokerage services and advisory services.

Citi Advisor may not be appropriate for clients who choose to execute transactions infrequently. By participating in Citi Advisor, clients may incur higher costs than they would have incurred had they opened brokerage accounts and paid brokerage commissions. CGMI will only execute transactions as instructed by the client. Therefore, clients should assess their anticipated level of transaction activity and determine whether the Citi Advisor program is appropriate for them in view of the overall advisory services provided and fees incurred.

Citi Advisor may not be appropriate for clients who want to trade independently without seeking investment advice or guidance from CGMI or routinely decline to follow CGMI investment recommendations. Investment advice and guidance provided by CGMI are key services in the program. Clients who trade without consulting with CGMI or without receiving or following recommendations from CGMI could have their account holdings becoming inconsistent with their Investment Proposals. A pattern of unsolicited trading may indicate that Citi Advisor is no longer appropriate for a particular client as such a pattern could mean that the client is not leveraging the investment advice and guidance of CGMI and could result in the termination of such client’s account from Citi Advisor.

Citi Advisor may not be appropriate for clients who want to maintain high levels of cash or highly concentrated positions of securities that will not be sold regardless of market conditions. Clients who continue to hold high levels of cash or highly concentrated positions of securities should understand that the value of the cash and the securities will be included when calculating the annual account fee. This may result in the clients paying a higher fee to CGMI than they would have if they held the excess cash or securities in a brokerage account that charge fees based on transactions instead of charging asset-based fees.

Consulting and Evaluation Services Program

In the Consulting and Evaluation Services Program (“CES”), CGMI assists clients in selecting one or more investment managers to manage their accounts. In CES, the client typically enters into an investment advisory contract directly with the investment manager as well as with CGMI (“dual contract program”), although in limited cases, the client enters into an investment advisory contract with only CPB and not with the investment manager (“single contract program.”). The minimum account size for clients investing in CES is generally \$1,000,000. However, certain investment managers may require different minimums. Many investment managers available through CES are otherwise available only to clients with significantly greater assets to invest.

Services Provided

In CES, CGMI analyzes a client’s investment objectives and recommends one or more investment management firms in light of those objectives. CGMI does not exercise discretion for CES clients as to the retention of an investment manager; instead, CGMI makes recommendations, which the client may or may not follow. Typically, CES is a dual contract program where the client enters into a separate investment advisory contract with the investment manager, but in limited cases, it is a single contract program where the client does not enter into a separate investment advisory contract with the investment manager. The investment manager is responsible for the implementation of any restrictions placed by the client on the account. There are no restrictions on the client’s ability to contact and consult directly with an investment manager, although clients are encouraged to discuss their accounts with their CGMI advisers. Clearing Firm may provide custody services for client accounts (depending upon the election of the client), and both CGMI and Clearing Firm may provide execution and related services.

Evaluation and Recommendation of Investment Managers

CGMI will recommend one or more investment managers to serve as investment advisers of client accounts, based on each client's objectives and circumstances. The actual selection of an investment manager is entirely up to the client. CGMI recommends only investment managers that have been evaluated and reviewed by CGMI or an affiliate (or a third party retained by CGMI or an affiliate), as described in "Item 6.A–Research in Advisory Programs."

Investment managers must be reviewed and evaluated, either meeting the CitiFocus List or CitiAccess List standard (as defined in "Item 6.A–Research in Advisory Programs"), to be eligible to be an investment manager in CES. In the event of a Downgrade (as defined in "Item 6.A–Research in Advisory Programs"), where an investment manager no longer meets the CitiFocus List or CitiAccess List standards and CGMI determines that it is advisable and in the best interest of a client, CGMI will notify client of the Downgrade. It will be client's option to change or retain the investment manager. If the client wishes to continue to retain an investment manager subject to a Downgrade, CGMI will (i) make no further representations concerning such investment manager, (ii) not assume any further liability for any loss, claim, damage or expense attributable to client's determination and (iii) not continue to profile, review or make any recommendations regarding such investment manager. However, the client will continue to pay CGMI the fee described below.

CGMI also maintains a "Watch" policy for investment managers in CES. CGMI's Watch policy is more fully described in "Item 6.A–Research in Advisory Programs." A Watch status may, but is not certain to, result in a downgrade of the investment manager's recommended status.

Account Information

CGMI (either directly, through Clearing Firm or a third party vendor) confirms all transactions executed through CGMI or Clearing Firm and provides account statements at least quarterly. Clients also receive periodically a "Performance Review," which is a statistical review and analysis of the account. Clients may elect to waive the receipt of trade confirmations after the completion of each trade in favor of incorporation into client account statements. Clients may also receive mutual fund prospectuses, where appropriate.

Fees

In CES, client pays CGMI an annual asset-based fee. The fee includes all fees or charges of CGMI and Clearing Firm (including brokerage commissions, compensation to client's CGMI adviser or an employee of a CGMI affiliate, and custodial charges). The fee does not include any fees or charges for services provided by CGMI, an affiliate (if applicable) or third parties which are outside the scope of the client's investment advisory agreement with CGMI. Additionally, the fee does not include any fees or charges of any investment manager (other than CGMI). Brokerage commissions and other fees and charges imposed because an investment manager chooses to effect securities transactions for the account with or through a broker-dealer other than CGMI or Clearing Firm also will be separately charged to the account. Each of these additional charges may be separately charged to the account or reflected in the price paid or received for a given security. Finally, if an open or closed end mutual fund or an ETF is used by the investment manager as an account investment, the client will bear its pro rata share of the fund's investment advisory fees and other expenses as well as the account fee. See "Item 4.C–Additional Information Regarding Fees and Charges." The standard annual asset-based fees charged by CGMI in connection with CES are as follows.

Consulting and Evaluation Services Program

The total fee to be paid in connection with a client account will be computed using the different rates applicable to each range of asset values, as shown on the fee schedule below. The total fee will be a "blend" of the different rates applicable to each range of asset values.

Equity and Balanced Accounts

Account Asset Values		Account Asset Values Ranges	CGMI Annual Account Fee
On the First	\$500,000.00	\$0.00 - \$500,000.00	2.20%
On the Next	\$500,000.00	\$500,000.00 - \$1,000,000.00	1.70%
On the Next	\$1,000,000.00	\$1,000,000.00 - \$2,000,000.00	1.20%

On the Next	\$3,000,000.00	\$2,000,000.00 - \$5,000,000.00	0.65%
On the Next	\$5,000,000.00	\$5,000,000.00 - \$10,000,000.00	0.60%

Fixed Income Accounts

Account Asset Values		Account Asset Values Ranges	CGMI Annual Account Fee
On the First	\$500,000.00	\$0.00 - \$500,000.00	0.75%
On the Next	\$500,000.00	\$500,000.00 - \$1,000,000.00	0.55%
On the Next	\$1,000,000.00	\$1,000,000.00 - \$2,000,000.00	0.40%
On the Next	\$3,000,000.00	\$2,000,000.00 - \$5,000,000.00	0.25%
On the Next	\$5,000,000.00	\$5,000,000.00 - \$10,000,000.00	0.20%

Fees are negotiable based on the level of services provided and types of securities traded, which may result in a particular client paying a fee either greater than or less than the standard fees. For accounts larger than \$10 million, fees generally are arranged separately on the basis of services provided. Fees generally are payable quarterly in advance. As stated above, the fee does not include any fees or charges of any investment manager (other than CGMI). In single contract program accounts, the fee for the investment manager is specified in the investment advisory contract with CGMI. In dual contract program accounts, the fee for the investment manager is specified in the investment advisory contract with the investment manager. As an accommodation to the client, however, the investment manager's fees may be payable through CGMI (i.e., CGMI will debit the client's account and remit the advisory fee to the relevant investment manager) but CGMI will not verify the rate, or compute the investment manager fees or the value of the account. The investment manager fees are also asset-based annual fees that generally range from 0.15% to 0.40% for fixed income investments and from 0.36% to 0.75% for equity securities.

Investment Management Services Program

Under the Investment Management Services Program ("IMS"), CGMI provides services to clients who retain investment managers that are not available in FS or CES, and are therefore not reviewed and evaluated under either the CitiFocus List standard or CitiAccess List standard (as defined in "Item 6.A—Research in Advisory Programs"). CGMI provides no advice to clients on investment managers and does not make any representations concerning the investment managers chosen by clients. In IMS, the client typically enters into an investment advisory contract directly with the investment manager. The minimum account size for clients investing in IMS is generally \$1,000,000. However, certain investment managers may require different minimums. Many investment managers available through IMS are otherwise available only to clients with significantly greater assets to invest.

Services Provided

Under IMS, selection of an investment manager is entirely up to the client. CGMI makes no representations concerning the investment manager chosen by client nor does CGMI assume any liability for any loss, claim, damage or expense attributable to client's selection of any investment manager or the investment selections made by any investment manager. Additionally, CGMI does not evaluate or make any representation regarding the competence of any investment manager, the validity of an investment manager's ability to perform its duties or any information (including performance data) provided by the investment manager. CGMI does not assume any liability for costs, damages or expenses attributable to representations made to client regarding any investment manager. Clients investing in IMS through their separate relationship with CitiTrust, a business affiliated with CGMI, may receive additional services.

In IMS, the client enters into an investment advisory contract directly with the investment manager. CGMI does not enter into a contractual relationship with the investment manager. Consequently, CGMI has no ability to terminate an investment manager and will not make recommendations in this regard. The investment manager is responsible for the implementation of any restrictions placed by the client on the account. There are no restrictions on the client's ability to contact and consult directly with the investment manager. The services provided by CGMI are limited. Clearing Firm may provide custody services for client accounts (depending upon the election of the client), and both CGMI and Clearing may provide execution and related services.

Account Information

CGMI (either directly, through Clearing Firm or a third party vendor) confirms all transactions executed through CGMI or Clearing Firm and provides confirmations of all transactions and account statements in any month in which there is activity and, in any event, quarterly. Clients also receive periodically a “Performance Review,” which is a statistical review and analysis of the account. Clients may elect to waive the receipt of trade confirmations after the completion of each trade in favor of incorporation into client account statements. Clients may also receive mutual fund prospectuses, where appropriate.

Fees

In IMS, client pays CGMI an annual asset-based fee. The fee includes fees or charges of CGMI and Clearing Firm (including brokerage commissions, compensation to client’s CGMI adviser or an employee of a CGMI affiliate, and custodial charges). The fee does not include any fees or charges for services provided by CGMI, an affiliate (if applicable) or third parties which are outside the scope of the client’s investment advisory agreement with CGMI. Additionally, the fee does not include any fees or charges of any investment manager (other than CGMI).

Brokerage commissions and other fees and charges imposed because an investment manager chooses to effect securities transactions for the account with or through a broker-dealer other than CGMI or Clearing Firm also will be separately charged to the account. Each of these additional charges may be separately charged to the account or reflected in the price paid or received for a given security. Finally, if an open or closed end mutual fund or an ETF is used by the investment manager as an account investment, the client will pay its pro rata share of the fund’s investment advisory fees and other expenses as well as the account fee. See “Item 4.C–Additional Information Regarding Fees and Charges.” The standard annual asset-based fees charged by CGMI in connection with IMS are as follows.

Investment Management Services Program

The total fee to be paid in connection with a client account will be computed using the different rates applicable to each range of asset values, as shown on the fee schedule below. The total fee will be a “blend” of the different rates applicable to each range of asset values.

Equity and Balanced Accounts

Account Asset Values		Account Asset Values Ranges	CGMI Annual Account Fee
On the First	\$500,000.00	\$0.00 - \$500,000.00	2.20%
On the Next	\$500,000.00	\$500,000.00 - \$1,000,000.00	1.70%
On the Next	\$1,000,000.00	\$1,000,000.00 - \$2,000,000.00	1.20%
On the Next	\$3,000,000.00	\$2,000,000.00 - \$5,000,000.00	0.65%
On the Next	\$5,000,000.00	\$5,000,000.00 - \$10,000,00.00	0.60%

Fixed Income Accounts

Account Asset Values		Account Asset Values Ranges	CGMI Annual Account Fee
On the First	\$500,000.00	\$0.00 - \$500,000.00	0.75%
On the Next	\$500,000.00	\$500,000.00 - \$1,000,000.00	0.55%
On the Next	\$1,000,000.00	\$1,000,000.00 - \$2,000,000.00	0.40%
On the Next	\$3,000,000.00	\$2,000,000.00 - \$5,000,000.00	0.25%
On the Next	\$5,000,000.00	\$5,000,000.00 - \$10,000,000.00	0.20%

Fees are negotiable based on the level of services provided and types of securities traded, which may result in a particular client paying a fee either greater than or less than the standard fees. For accounts larger than \$10 million, fees generally are arranged separately on the basis of services provided. Fees generally are payable quarterly in advance. Additionally, as stated above, the fee does not include any fees or charges of any investment manager (other than CGMI). As an accommodation to the client, however, the investment manager’s fees may be payable through CGMI (i.e., CGMI will debit the client’s account and remit the advisory fee to the relevant investment manager). In such a scenario, CGMI is not responsible for verifying the rate, or computing the investment manager fees or the value of the account used in this connection.

Alternative Investments Program

NOTE: This program is not currently open to new clients. Should you be interested in a managed account program with features similar to this program, please consult your CGMI adviser.

Services Provided

In the Alternative Investments Program (“AIP”), CGMI may provide research and advice to selected clients about alternative investments that may or may not be affiliated with CGMI. For each alternative investment that it recommends, CGMI, in its sole discretion, may or may not create and make available a written report of its recommendation. CGMI’s recommendation is based on information conveyed to it in writing by the client and such additional information as is reasonably required by CGMI to provide an appropriate recommendation. This is a non-discretionary service, and clients are responsible for executing participation agreements directly with each alternative investment. CGMI’s evaluation may continue on an on-going basis, and CGMI may recommend a client terminate its participation agreement if CGMI deems it advisable. If CGMI determines that a particular alternative investment previously recommended to, and subscribed by, client is no longer a recommended investment for the client, where possible it will be the client’s option to change or continue to participate in the alternative investment. If the client wishes to continue to participate in the alternative investment, CGMI will no longer provide any recommendation or advice regarding the alternative investment. However, the client will continue to pay CGMI the alternative investments consulting fee in recognition of the advice previously provided by CGMI and where applicable for continuing services such as performance measurement and monitoring. Depending upon the specific alternative investment, such as an alternative investment that is subject to a lock-up period, client may not be able to liquidate the investment. Prior to investing, clients should review the offering materials for such illiquid investments, in particular the terms of any restrictions on the premature termination or liquidation of client’s investment.

Evaluations of certain alternative investments, including but not limited to investments affiliated with CGMI, may be conducted by an independent consulting firm also in the business of evaluating the capabilities of alternative investments. In such a case, the independent consulting firm will generally follow a methodology similar to that used by CGMI in reviewing such alternative investments.

Special Considerations

As further described in the offering documents of an alternative investment, an investment in alternative investments can be highly illiquid, is speculative and not suitable for all investors. Investing in alternative investments is intended for experienced and sophisticated investors only who are willing to bear the high economic risks of the investment. Investors should carefully review and consider potential risks before investing. Certain of these risks may include loss of all or a substantial portion of the investment due to leveraging, short-selling, or other speculative practices; lack of liquidity in that there may be no secondary market for the alternative investment and none expected to develop; volatility of returns; restrictions on transferring interests in the alternative investment; potential lack of diversification and resulting higher risk due to concentration of trading authority when a single advisor is used; absence of information regarding valuations and pricing; complex tax structures and delays in tax reporting; less regulation and higher fees than mutual funds; and advisor risk. Individual alternative investments will have specific risks related to their investment programs that will vary from alternative investment to alternative investment.

Fees

In exchange for its services, CGMI charges a consulting fee (all or a portion of which may be paid to the client’s CGMI adviser). Minimum account sizes are generally \$100,000, but are ultimately determined by the alternative investment manager. Fees are negotiable based on a number of factors, which may result in a particular client paying a fee greater or less than the standard fees. The amount of compensation received by CGMI and/or its affiliates may be greater if the alternative investment is managed by a CGMI affiliate, rather than an unaffiliated alternative investment manager. While the consulting fee includes compensation for CGMI’s services, it does not include any fees or charges attributable to the client’s participation in the alternative investment (including, without limitation, any management and incentive/performance fees) for which the client is separately responsible to the alternative investment manager. CGMI’s consulting fee is based on a percentage of the market value provided by the alternative investment manager as reflected in the client’s alternative investments account. When CGMI receives a portion of the management fee paid by a client to an alternative investment manager (except where such

portion represents the payment of a platform or administration fee by the alternative investment manager to CGMI), CGMI will credit the fee to the client's account. The standard annual fees charged by CGMI are as follows.

Alternative Investments Program

The total fee to be paid in connection with a client account will be computed using the different rates applicable to each range of asset values, as shown on the fee schedule below. The total fee will be a "blend" of the different rates applicable to each range of asset values.

Assets	CGMI Annual Fee
On the first \$500,000	2.20%
On the next \$500,000	1.70%
On the next \$1,000,000	1.20%
On the next \$3,000,000	0.65%
Assets over \$5,000,000	0.60%

Fiduciary Asset Management Program

NOTE: This program is not currently open to new clients. Should you be interested in a managed account program with features similar to this program, please consult your CGMI adviser.

The Fiduciary Asset Management Program ("FAM") is generally for institutional and high net worth clients. In FAM, a client appoints CGMI as the discretionary investment manager, relative to the selection of investment managers to manage the client's accounts. In addition to investment management, CGMI and Clearing Firm also provide custodial, trade execution and related services for a single asset-based fee. FAM is designed to manage the overall investment management process, including trading decisions to implement investment policies, asset and investment style allocation decisions, manager selection and review, and comprehensive monitoring of each client's investment portfolios. FAM is operated as a "manager of managers" program. The minimum account size is generally \$25,000,000.

Services Provided

In FAM, CGMI manages the client's portfolio on a discretionary basis. CGMI will implement all investment strategies through the selection, approval and ongoing monitoring of independent investment managers. CGMI assumes full discretion over asset allocation decisions as well as decisions to terminate any investment manager relationships, and provides to the client ongoing financial-management services such as investment-performance reporting, administration, trade execution and custody. Based on a client's long-term strategic policy allocation parameters and other investment constraints, FAM looks for opportunities in asset classes or investment styles with above average expected rates of return while managing overall portfolio risk in accordance with the client's investment policy. As a "manager of managers," CGMI assumes full responsibility for the ongoing operation of a comprehensive investment-management program in order to:

- Establish fund objectives
- Assist client in the formulation of investment policies
- Allocate assets
- Select investment managers
- Oversee Recordkeeping and reporting
- Control portfolio expenses
- Maintain custody
- Where applicable, manage obligations under the Employee Retirement Income Security Act of 1974, as amended

In order to assess the appropriateness of the underlying assets of a client portfolio, CGMI conducts a review of the investment policy, asset allocation, and portfolio assets, which follows these key steps:

- **Investment Policy Statement:** The preparation of an investment policy statement ("IPS") is crucial in the evaluation of the client's risk tolerance and investment objectives. Through FAM, CGMI will assist in the determination of the client's absolute needs for liquidity, income, growth of income, growth of principal, and preservation of capital. Helping client's develop an IPS assists them in selecting and developing an

investment strategy designed to optimize the probability of achieving the client's objectives. In addition, the IPS provides a framework that enables CGMI and each investment manager to properly execute their fiduciary duty.

- **Current Portfolio Analysis:** CGMI will complete a thorough due diligence evaluation of the client's current investment programs, including investment structure, individual components of each investment, the fee structure, manager selection process, possible conflicts of interest, peer universe comparison within appropriate asset classes, and ongoing evaluation procedures. The analysis will culminate in a business evaluation of all contracts, custodial documents, and performance monitors, and possibly on-site visits with the client's current service providers.
- **Asset Allocation Analysis:** In addition to the evaluation of the client's current portfolio structure, CGMI will complete a detailed analysis of asset allocation and the basis for the asset-allocation decisions. The analysis will assist the client to understand and evaluate the modeling process. The asset allocation input estimates the frequency and basis for their updates. This is a key component in CGMI's risk management evaluation for investment portfolios.

Account Information

CGMI (either directly, through Clearing Firm or a third party vendor) confirms all transactions executed through CGMI or Clearing Firm and provides account statements at least quarterly. Clients also receive periodically a "Performance Review," which is a statistical review and analysis of the account. Clients may elect to waive the receipt of trade confirmations after the completion of each trade in favor of incorporation into client account statements. Clients may also receive mutual fund prospectuses, where appropriate.

In FAM, a client may request in writing that certain specified securities not be purchased for his or her account. Also, a client generally may specify that certain categories of securities not be purchased. In this event, the investment manager will determine in its sole discretion whether a security will be treated as within the restricted category. In making this determination, the investment manager may rely on outside sources, such as standard industry codes and research furnished by independent service providers. CGMI may reject any restriction it believes it may not be able to effectively implement or monitor.

Fees

The client pays an asset-based fee to CGMI, which covers its investment advisory services, the investment manager's fee, custody of securities, trade execution with or through CGMI or Clearing Firm, as well as compensation to any CGMI adviser. Clients bear the cost of commissions or other transaction charges for securities trades directed by the investment manager to firms other than CGMI for execution. Transactions in fixed income and certain other securities may involve dealer mark-ups or markdowns or other charges in addition to the asset-based fees, although generally CGMI will not realize any additional compensation. See "Item 4.C-Additional Information Regarding Fees and Charges." The maximum annual fee for FAM is the sum of the "Annual Fee" and the "Investment Manager Fee" as follows.

Fiduciary Asset Management Program

The total fee to be paid in connection with a client account will be computed using the different rates applicable to each range of asset values, as shown on the fee schedule below. The total fee will be a "blend" of the different rates applicable to each range of asset values.

Assets	Annual Fee	Investment Manager Fee Equity & Balanced	Investment Manager Fee Fixed Income
First \$5,000,000	1.350%	0.50%	0.35%
Next \$5,000,000	0.800%	0.50%	0.35%
Next \$15,000,000	0.400%	0.50%	0.35%
Next \$25,000,000	0.300%	0.50%	0.35%
Next \$50,000,000	0.200%	0.50%	0.35%
Next \$100,000,000	0.100%	0.50%	0.35%

The client will bear a proportionate share of the fees and expenses incurred by any mutual funds in which the client is invested. The prospectus of each of these funds describes these internal fees and expenses in detail. For more information relating to fees, see “Item 4.C–Additional Information Regarding Fees and Charges” and “Item 9.B.1–Compensation from Funds.”

Fees are negotiable based on a number of factors, which may result in a particular client paying a fee greater or less than the standard fees. Fees are generally payable quarterly in advance. CGMI pays managers up to 0.50% for equity, balanced and multi-style accounts and 0.35% for fixed income accounts. The portion of such asset-based fee paid by CGMI on to investment managers depends upon the asset class, the investment style and the total amount of assets allocated to the investment manager in FAM.

Portfolio Manager Program and Portfolio Manager – Exchange Traded Funds Program

NOTE: This program is not currently open to new clients. Should you be interested in a managed account program with features similar to this program, please consult your CGMI adviser.

The Portfolio Manager Program and Portfolio Manager – Exchange Traded Funds Program (collectively, “PM”), a part of the CGMI Portfolio Management Group (“PMG”), offers discretionary, individualized management services to clients. The minimum account size is generally \$25,000.

Services Provided

PM is administered and overseen by CGMI’s advisory personnel with certain oversight from CGMI. PM accounts are managed by selected CGMI advisers who have successfully completed an educational program that includes coursework in investment analysis and portfolio management (referred to as a “PM portfolio manager”). Under certain circumstances, based primarily upon the CGMI adviser’s prior investment experience, this educational program may be waived by the Program Director of PMG. Working in his or her local CGMI branch office, a PM portfolio manager assists his or her client in determining investment objectives, and then manages the client’s account on a discretionary basis in a manner consistent with those objectives.

In managing client accounts, the PM portfolio manager is subject to certain guidelines established by PM relating to economic sector and security diversification, approval of securities (including mutual funds and ETFs) that may be purchased for PM accounts, and asset-mix parameters. Limited types of options transactions (i.e., covered options writing, protective put buying, purchases of puts, calls and LEAPs) may also be conducted.

A PM portfolio manager may agree with a client to implement a client-developed investment strategy that the client believes is sensitive to the client’s particular tax situation. Neither PMG, CGMI nor any CGMI affiliate provides tax advice, and therefore, they will not be responsible for the development, evaluation or efficacy of any such tax-sensitive strategy. Any such strategy must be developed by the client in consultation with a qualified tax adviser. Certain tax-sensitive strategies that the client may pursue in PM involve risks. Among others, tax-efficient management services involve an increased risk of loss because the client account may not receive the benefit (e.g., realized profit, avoided loss) of securities transactions that would otherwise take place in accordance with the PM portfolio manager’s investment management decisions for the account.

Account Information

CGMI (either directly, through Clearing Firm or a third party vendor) confirms all transactions executed through CGMI or Clearing Firm and provides confirmations of all transactions and account statements in any month in which there is activity and, in any event, quarterly. Clients also receive periodically a “Performance Review,” which is a statistical review and analysis of the account. Clients may elect to waive the receipt of trade confirmations after the completion of each trade in favor of incorporation into client account statements. Clients may also receive mutual fund prospectuses, where appropriate.

In PM, a client may request in writing that certain specified securities not be purchased for his or her account. Also, a client generally may specify that certain categories of securities not be purchased. In this event, CGMI will determine in its sole discretion whether a security will be treated as within the restricted category. In making this determination, CGMI may rely on outside sources, such as standard industry codes and research furnished by independent service providers. CGMI may reject any restriction it believes it may not be able to effectively implement or monitor.

Trade Allocations

If a CGMI adviser acting as a PM portfolio manager in PM believes that the purchase or sale of a security is in the best interests of more than one client, he/she may, but is not obligated to, aggregate the securities to be sold or purchased to obtain favorable execution to the extent permitted by applicable law and regulations. In such event, the transactions will be allocated by the PM portfolio manager according to a policy designed to ensure that such allocation is equitable and consistent with the PM portfolio manager's fiduciary duty to its clients. These methods include, among others, pro rata allocation, random allocation or rotation allocation. The allocation method used in a particular transaction may vary, depending upon various factors, including the type of investment, the number of shares purchased or sold, the size of the account, and the amount of available cash or the size of an existing position in an account. Pursuant to these methods, aggregated orders are averaged as to price. There may be circumstances in which a PM portfolio manager or a CGMI-affiliated investment manager does not aggregate trades and thereby does not obtain a lower mark-up or mark-down that may have been available. In addition, orders entered for a client's account, may involve transactions for the PM portfolio manager's personal account, or any other related account.

Fees

Except in certain limited cases as described more fully below, the client pays an asset-based fee to CGMI that covers investment advisory services, custody of securities and trade execution with or through CGMI. Transactions in fixed income and certain other securities may involve dealer mark-ups or mark-downs or other charges in addition to the asset-based fees, although generally CGMI will not realize any additional compensation. See "Item 4.C–Additional Information Regarding Fees and Charges." The standard annual fees for equity, balanced and fixed income accounts in the program are as follows.

Portfolio Manager Program and Portfolio Manager – Exchange Traded Funds Program

The total fee to be paid in connection with a client account will be computed using the different rates applicable to each range of asset values, as shown on the fee schedule below. The total fee will be a "blend" of the different rates applicable to each range of asset values.

Equity, Balanced and Multi-Style Accounts

Assets	CGMI Annual Fee
First \$500,000	3.00%
Next \$500,000	2.50%
Above \$1 million	2.00%

Fixed Income Accounts

Assets	CGMI Annual Fee
First \$500,000	1.25%
Next \$500,000	1.00%
Next \$1 million	0.85%
Over \$2 million	0.75%

Exchange Traded Fund Accounts

Assets	Annual Fee
On the first \$250,000	2.25%
On the next \$250,000	2.00%
On the next \$500,000	1.75%
On the next \$1,000,000	1.25%
Assets over \$2,000,000	1.00%

Minimum Account Size: \$25,000

CGMI will be entitled to a minimum annual fee of \$281 for accounts utilizing PM. Fees are negotiable based upon a number of factors including, but not limited to, the type and size of the account and the range of services provided by the PM portfolio manager. In some instances clients may pay a higher fee than indicated in the fee table above. Fees generally are payable quarterly in advance. Because PM does not involve investment managers unaffiliated with CGMI, CGMI retains the entire fee.

In addition, the client will bear a proportionate share of the fees and expenses incurred by any mutual funds in which the client is invested. The prospectus of each of these funds describes these internal fees and expenses in detail. For more information relating to fees please see "Item 4.C–Additional Information Regarding Fees and Charges" and "Item 9.B.1–Compensation from Funds."

Multi-Asset Class Solutions Non-Discretionary Investment Advisory Services Program

Through the Multi-Asset Class Solutions Non-Discretionary Investment Advisory Services Program (“Non-Discretionary IAS”), CGMI will act as an advisor to clients to provide non-discretionary investment advisory services to ultra high net worth clients (including, but not limited to, multi-family offices, corporations, trusts, endowments, foundations and similar clients) by assisting in the development of investment policies and guidelines, asset allocation, investment manager and investment selection and evaluation, performance measurement, and portfolio analysis and attribution. For certain clients, CGMI may also provide information and advice regarding alternative investment managers. In providing these services, CGMI will use the universe of approved investment products for which CGMI or an affiliate (or a third party retained by CGMI or an affiliate) has performed research meeting the CitiAccess List standard or, if applicable, more rigorous CitiFocus List standard and has determined that CGMI can recommend the investment product. Please see “Item 6.A–Research in Advisory Programs” for additional information on the evaluation and selection of investment products. The services provided pursuant to Non-Discretionary IAS are tailored to the specific needs of each client and are combined under an asset-based fee arrangement. In addition to these non-discretionary investment advisory services, CGMI may also offer custody and execution services to Non-Discretionary IAS clients.

Services Provided

The key elements of Non-Discretionary IAS are as follows:

1. Assistance in the Preparation of Investment Objectives and Policies (If Requested by the Client): Working with the Citi Private Bank Investment Lab (the “Investment Lab”), the client’s Investment Counselor (“IC”) will assist the client in reviewing its investment goals, policies and objectives as well as its standards for performance review (to help ensure alignment with its investment goals, policies and objectives), and in preparing, monitoring and updating its IPS. The Investment Lab is only responsible for performing this service if requested by the client (which will generally be in situations where the client does not already have an investment policy statement).
2. Asset Allocation: Working with the Investment Lab, the IC will provide initial and continuing asset allocation recommendations in accordance with the investment policy statement of the client.
3. Investment Manager Search: Working with the Investment Lab, the IC will assist the client in identifying and selecting appropriate investment managers. With the exception of affiliated investment managers, recommendations may only be made from the universe of investment managers approved for recommendation pursuant to the research protocols described herein. Please see “Item 6.A–Research in Advisory Programs” for additional information on the evaluation and selection of investment products. Affiliated investment managers may be recommended for certain clients.
4. Mutual Funds, Exchanged Traded Funds and Index Funds Search: Working with the Investment Lab, the IC will assist the client in identifying and selecting appropriate mutual fund, ETF and index fund investments. Recommendations may only be made from the universe of investments approved for recommendation pursuant to the applicable research or risk protocols described herein. The IPR Policy applies to each ETF. Please see “Item 6.A–Research in Advisory Programs” for additional information on the evaluation and selection of investment products.
5. Alternative Investment Manager Search: If requested by the client, working with the Investment Lab, the IC will assist the client in identifying and selecting appropriate alternative investment managers. The Investment Lab will work together with the CIM Alternative Solutions Team to provide advice to ICs and clients as part of the implementation. Recommendations may only be made from the universe of alternative investment managers approved for recommendation pursuant to the research protocols described herein. Please see “Item 6.A–Research in Advisory Programs” for additional information on the evaluation and selection of investment products.
6. Performance Measurement: CGMI provides clients with system-generated written performance reports, as well as custom performance reports (depending upon client reporting needs). The reports may include comparisons to recognized benchmarks and appropriate market segments. The Investment Analysts within Citi Private Bank North America Investments (“Investment Analysts”) prepare any custom reports using pre-approved performance and asset allocation review templates, system-generated performance reports, and custody statements. Each client receiving services pursuant to Non-Discretionary IAS will have an agreed benchmark and risk assignment from which a periodic assessment of their investment performance will be provided.

7. Ongoing Review, Custody and Trade Execution: CGMI will provide or arrange for portfolio rebalancing, investment policy monitoring, support with third-party providers and custodial and execution services. Transactions in fixed income and certain other securities (including equities) may involve dealer mark-ups or mark-downs or other charges in addition to the asset-based fees. To the extent investment managers direct trades in such securities to CGMI for execution, CGMI may realize profits or losses in connection with such trades that are separate from or additional to the fees paid by Non-Discretionary IAS clients, but CGMI will not charge such clients any mark-up or mark-down.

8. Daily Oversight and Control Structure: Using a systematic monitoring system, the Citi Private Bank Fiduciary Oversight Group (“FOG”) is responsible for the daily monitoring of the client portfolio relative to its IPS. The CIM portfolio manager will provide day-to-day oversight in support of the IC, in coordination with the independent monitoring capabilities of FOG. The CIM portfolio manager will provide support to the IC, regardless of whether CIM is one of the selected investment managers for a client portfolio. The CIM portfolio manager will be responsible for addressing any alerts communicated by FOG and recommending changes in accordance with the client’s investment policy statement.

Investment Counselors

CGMI has a team of dedicated ICs that work with financial professionals in the prospecting and servicing of Non-Discretionary IAS clients. In order to participate in Non-Discretionary IAS, each IC is required to hold the Series 7 and Series 66 (or Series 7 and Series 63/65) licenses.

Investment Lab

In addition to the team of ICs, Non-Discretionary IAS is supported by the analytical capabilities of the Investment Lab. The Investment Lab serves as an in-house think-tank, providing innovative investment ideas and analytics. The Investment Lab incorporates analysis, modeling and advice, including its proprietary strategic asset allocation methodology, to create integrated wealth management strategies for clients. The asset allocation methodology addresses how to allocate assets among available asset classes. The process enables the combination of traditional asset classes, such as equities, fixed income and cash, with certain alternative investments, like hedge funds, taking into account a client’s risk and liquidity objectives. The Investment Lab leverages the strategic and tactical allocation models developed by Citi Private Bank’s Global Investment Committee (“GIC”) and incorporates these models and the related strategic return estimates in its analyses. Strategic models are employed for those clients with a long term (10-years plus) investment horizon, while tactical models are employed for those clients looking to take advantage of short-term (12-18 months) market movements. As the GIC further develops its approach to asset allocation, the Investment Lab will continue to leverage and incorporate the results in its client output and analytical framework.

For portfolio construction, the Investment Lab employs a combination of in-house analytical tools and industry expertise to select the most appropriate managers and strategies from the universe of recommended managers and investments approved for recommendation pursuant to the research protocols described herein. The Investment Lab considers not only each individual manager and strategy, but how they will work together to help meet a client’s overall investment goals. During the portfolio construction process, the Investment Lab addresses key concepts such as passive versus active management, risk and return considerations and identifying and executing tactical opportunities within asset classes and managers. The Investment Lab will monitor the managers and investments and select from the universe of approved managers and investments approved for recommendation pursuant to the research protocols described herein. Please see “Item 6.A—Research in Advisory Programs” for additional information on the evaluation and selection of investment products.

Fees

The fees for Non-Discretionary IAS accounts are negotiable, vary based upon the complexity of the client relationship and are subject to a minimum fee per relationship. The minimum client net worth is \$25 million for Non-Discretionary IAS qualification. The fees for Non-Discretionary IAS accounts cover the following services: (1) assistance in the development or review of the client’s investment objectives and policies, if required; (2) investment performance measurement reports; (3) if requested, investment manager searches; (4) if requested, custody; (5) asset allocation advice; (6) a periodic report containing an analysis of the client’s portfolio, on no less than an annual basis; and (7) if requested, execution of transactions by CGMI or Clearing Firm. Any investment manager fees (including in connection with alternative investments) are separate from the fees charged by CGMI in connection with Non-Discretionary IAS.

Fees are charged monthly or quarterly, in arrears or in advance, and are based upon a number of factors, including the specific services to be provided, which may result in a particular client paying a fee greater than the standard fees. Fees may also be either asset-based or fixed, depending on the particular client.

To the extent that an asset-based fee is used in connection with Non-Discretionary IAS, the standard fee schedule is as follows.

Multi-Asset Class Solutions Non-Discretionary Investment Advisory Services Program

The total fee to be paid in connection with a client account will be computed using the different rates applicable to each range of asset values, as shown on the fee schedule below. The total fee will be a “blend” of the different rates applicable to each range of asset values.

Assets subject to Non-Discretionary IAS Agreement		Asset Values Ranges	CGMI Annual Account Fee⁽¹⁾
On the First	\$25,000,000.00	\$0.00 - \$25,000,000.00	0.90%
On the Next	\$25,000,000.00	\$25,000,000.00 - \$50,000,000.00	0.55%
On the Next	\$50,000,000.00	\$50,000,000.00 - \$100,000,000.00	0.45%
On the Next	\$100,000,000.00	\$100,000,000.00 - \$200,000,000.00	0.35%
On Assets Over	\$200,000,000.00	\$200,000,000.00 - and above	Negotiable

Note: ⁽¹⁾ Represents CGMI fee for Non-Discretionary IAS only (any investment manager fees are not included).

Fees are negotiable based on a number of factors, which may result in a particular client paying a fee greater or less than the standard fees. The minimum amount of assets subject to Non-Discretionary IAS agreement is generally \$25,000,000.

Multi-Asset Class Solutions Discretionary Investment Advisory Services Program

Through the Multi-Asset Class Solutions Discretionary Investment Advisory Services Program (“Discretionary IAS”), CGMI will act as an advisor to clients to provide investment advisory services to ultra high net worth clients (including, but not limited to, multi-family offices, corporations, trusts, endowments, foundations and similar clients) by (i) assisting in the development of investment policies and guidelines and asset allocation, (ii) performing investment manager and investment selection and evaluation and (iii) providing performance measurement, portfolio analysis and attribution. For certain clients, CGMI may also provide information and investment advisory services regarding alternative investment managers. In providing these services, CGMI will use the universe of approved investment products for which CGMI or an affiliate (or a third party retained by CGMI or an affiliate) has performed research meeting the CitiAccess List standard or, if applicable, more rigorous CitiFocus List standard and has determined that CGMI can recommend the investment product. Please see “Item 6.A—Research in Advisory Programs” for additional information on the evaluation and selection of investment products. The services provided pursuant to Discretionary IAS are tailored to the specific needs of each client and are combined under an asset-based fee arrangement. In addition to these investment advisory services, CGMI may also offer custody services (either directly, through Clearing Firm or Citibank) and execution services (either directly or through Clearing Firm) to Discretionary IAS clients.

Services Provided

The key elements of Discretionary IAS are as follows:

1. Assistance in the Preparation of Investment Objectives and Policies: Working with the Investment Lab, the client’s IC will assist the client in reviewing its investment goals, policies and objectives as well as its standards for performance review (to help ensure alignment with its investment goals, policies and objectives), and in preparing, monitoring and updating its IPS.
2. Asset Allocation: Working with the Investment Lab, the IC will provide initial and continuing asset allocation recommendations in accordance with the investment policy statement of the client.
3. Investment Manager Investments: In a manner generally consistent with the IPS, CGMI will invest and reinvest the assets in the client portfolio with appropriate investment managers. With the exception of affiliated investment managers, investments may only be made with investment managers in the universe of investment managers approved for investment pursuant to the research protocols described herein. Please see “Item 6.A—

Research in Advisory Programs” for additional information on the evaluation and selection of investment products. Investments with affiliated investment managers may be made for certain clients.

4. Mutual Funds, Exchanged Traded Funds and Index Funds Search: In a manner generally consistent with the IPS, CGMI will invest and reinvest the assets in the client portfolio in appropriate mutual fund, ETF and index fund investments. Investments may only be made in the universe of investments approved for investment pursuant to the applicable research or risk protocols described herein. The IPR Policy applies to each ETF. Please see “Item 6.A–Research in Advisory Programs” for additional information on the evaluation and selection of investment products.

5. Alternative Investment Manager Search: If requested by the client, in a manner generally consistent with the IPS, CGMI will invest and reinvest the assets in the client portfolio with appropriate alternative investment managers. CGMI will work together with the CIM Alternative Solutions Team in providing investment advisory services with respect to alternative investment managers as part of the implementation. Investments with alternative investment managers may only be made in the universe of alternative investment managers approved for investment pursuant to the research protocols described herein. Please see “Item 6.A–Research in Advisory Programs” for additional information on the evaluation and selection of investment products.

6. Performance Measurement: CGMI provides clients with system-generated written performance reports, as well as custom performance reports (depending upon client reporting needs). The reports may include comparisons to recognized benchmarks and appropriate market segments. The Investment Analysts prepare any custom reports using pre-approved performance and asset allocation review templates, system-generated performance reports, and custody statements. Each client receiving services pursuant to Discretionary IAS will have an agreed benchmark and risk assignment from which a periodic assessment of their investment performance will be provided.

7. Ongoing Review, Custody and Trade Execution: CGMI will provide or arrange for portfolio rebalancing, investment policy monitoring and support with third-party providers, as well as custodial services (either directly, through Clearing Firm or Citibank) and execution services (either directly or through Clearing Firm). Transactions in fixed income and certain other securities (including equities) may involve dealer mark-ups or mark-downs or other charges in addition to the asset-based fees. To the extent investment managers direct trades in such securities to CGMI for execution, CGMI may realize profits or losses in connection with such trades that are separate from or additional to the fees paid by Discretionary IAS clients, but CGMI will not charge such clients any mark-up or mark-down. To the extent that CGMI makes an investment with an affiliated investment manager for the client portfolio, unless legal restrictions otherwise require or would make execution impractical, such investment manager will execute transactions through or with one or more broker-dealers other than CGMI or Clearing Firm.

8. Daily Oversight and Control Structure: Using a systematic monitoring system, FOG is responsible for the daily monitoring of the client portfolio relative to its IPS. The CIM portfolio manager will provide day-to-day oversight in support of the IC, in coordination with the independent monitoring capabilities of FOG. The CIM portfolio manager will provide support to the IC, regardless of whether CIM is one of the selected investment managers for a client portfolio. The CIM portfolio manager will be responsible for addressing any alerts communicated by FOG and recommending changes in accordance with the client’s investment policy statement.

Investment Counselors

CGMI has a team of dedicated ICs that work with financial professionals in the prospecting and servicing of Discretionary IAS clients. In order to participate in Discretionary IAS, each IC is required to hold the Series 7 and Series 66 (or Series 7 and Series 63/65) licenses.

Investment Lab

In addition to the team of ICs, Discretionary IAS is supported by the analytical capabilities of the Investment Lab. The Investment Lab serves as an in-house think-tank, providing innovative investment ideas and analytics. The Investment Lab incorporates analysis, modeling and advice, including its proprietary strategic asset allocation methodology, to create integrated wealth management strategies for clients. The asset allocation methodology addresses how to allocate assets among available asset classes. The process enables the combination of traditional asset classes, such as equities, fixed income and cash, with certain alternative investments, like hedge funds, taking into account a client’s risk and liquidity objectives. The Investment Lab leverages the strategic and tactical allocation models developed by the GIC and incorporates these models and the related strategic return estimates in its analyses. Strategic models are employed for those clients with a long term (10-years plus) investment horizon,

while tactical models are employed for those clients looking to take advantage of short-term (12-18 months) market movements. As the GIC further develops its approach to asset allocation, the Investment Lab will continue to leverage and incorporate the results in its client output and analytical framework.

For portfolio construction, CGMI employs a combination of in-house analytical tools and industry expertise to select the most appropriate managers and strategies from the universe of managers and investments approved for investment pursuant to the research protocols described herein. CGMI considers not only each individual manager and strategy, but how they will work together to help meet a client's overall investment goals. During the portfolio construction process, CGMI considers key concepts such as passive versus active management, risk and return considerations and identifying and executing tactical opportunities within asset classes and managers. CGMI will monitor the managers and investments and select from the universe of approved managers and investments approved for investment pursuant to the research protocols described herein. Please see "Item 6.A—Research in Advisory Programs" for additional information on the evaluation and selection of investment products.

Fees

The fees for Discretionary IAS accounts are negotiable, vary based upon the complexity of the client relationship and are subject to a minimum fee per relationship. The minimum client net worth is \$25 million for Discretionary IAS qualification. The fees for Discretionary IAS accounts cover the following services: (1) assistance in the development or review of the client's investment objectives and policies, if required; (2) investment performance measurement reports; (3) if requested, investment manager searches; (4) if requested, custody; (5) asset allocation advice; (6) a periodic report containing an analysis of the client's portfolio, on no less than an annual basis; and (7) if requested, execution of transactions by CGMI or Clearing Firm. Brokerage commissions and other similar fees and charges incurred by an affiliated investment manager and/or imposed because an investment manager effects securities transactions for the client portfolio with or through a broker-dealer other than CGMI or Clearing Firm will be separately charged to the Account. Additionally, any investment manager fees (including in connection with alternative investments) are separate from the fees charged by CGMI in connection with Discretionary IAS.

Fees are charged monthly or quarterly, in arrears or in advance, and are based upon a number of factors, including the specific services to be provided, which may result in a particular client paying a fee greater than the standard fees. Fees may also be either asset-based or fixed, depending on the particular client.

To the extent that an asset-based fee is used in connection with Discretionary IAS, the standard fee schedule is as follows.

Multi-Asset Class Solutions Discretionary Investment Advisory Services Program

The total fee to be paid in connection with a client account will be computed using the different rates applicable to each range of asset values, as shown on the fee schedule below. The total fee will be a "blend" of the different rates applicable to each range of asset values.

Assets subject to Discretionary IAS Agreement		Asset Values Ranges	CGMI Annual Account Fee⁽¹⁾
On the First	\$25,000,000.00	\$0.00 - \$25,000,000.00	0.90%
On the Next	\$25,000,000.00	\$25,000,000.00 - \$50,000,000.00	0.55%
On the Next	\$50,000,000.00	\$50,000,000.00 - \$100,000,000.00	0.45%
On the Next	\$100,000,000.00	\$100,000,000.00 - \$200,000,000.00	0.35%
On Assets Over	\$200,000,000.00	\$200,000,000.00 - and above	Negotiable

Note: ⁽¹⁾ Represents CGMI fee for Discretionary IAS only (any investment manager fees are not included).

Fees are negotiable based on a number of factors, which may result in a particular client paying a fee greater or less than the standard fees. The minimum amount of assets subject to Discretionary IAS agreement is generally \$25,000,000.

Citi Managed Mutual Fund Program

NOTE: This program is not currently open to new clients. Should you be interested in a managed account program with features similar to this program, please consult your CGMI adviser.

Citi Managed Mutual Fund Program (“Citi MFP”) is an investment advisory program designed to assist a client in devising and implementing a reasoned, systematic, long-term investment strategy tailored to the client's financial circumstances. Citi MFP links CGMI’s experience in evaluating an investor's investment objectives and risk tolerances and the abilities of investment advisers to meet those objectives and risk tolerances with the convenience and cost effectiveness of a broad array of mutual funds.

Services Provided

Citi MFP consists of the following elements:

- **The Request:** The core of Citi MFP is CGMI’s evaluation of the client's financial goals and risk tolerances based on a client questionnaire that the client completes with the assistance of a CGMI adviser. If the client's financial situation and individual needs change, the client may complete a new client questionnaire, in which event CGMI will issue a new recommendation, appropriate for the client's changed circumstances.
- **The Recommendation:** Based on its evaluation of the client's financial goals and circumstances, CGMI prepares and issues an investment recommendation to the client. In the recommendation, CGMI provides advice as to the appropriate mix of styles or strategies designed to balance the client's financial goals against his or her means and risk tolerances as part of a long-term investment strategy. The recommendation provides specific advice about implementing investment decisions through mutual funds offered by a variety of mutual fund families which cover a spectrum of investments. The mutual funds may be purchased by the client without the imposition of any initial or contingent deferred sales charges.
- **The Investment Monitor:** Citi MFP is an ongoing investment advisory service. Once an account is active, the client receives a written periodic review highlighting all account activity. The periodic review is a monitoring report containing an analysis and evaluation of the Citi MFP account to ascertain whether the objectives for the Citi MFP account are being met and recommending, when appropriate, changes in the allocation of assets among investment types.

Each of the available portfolios will represent a different asset allocation appropriate for a different investment objective/risk tolerance. The MACS IC of CIM is responsible for setting the “mid-level,” balanced portfolio, the portfolio which is aimed at, firstly, modest capital appreciation and, secondly, preservation of capital. Using the mid-level, balanced portfolio as a guideline, CGMI sets the asset allocation for the other portfolios in accordance with their respective risk tolerances. Each portfolio is allocated in varying percentages among various asset allocation categories and classes. Currently, asset allocation categories and classes are as follows: (i) cash and short term investments, including cash equivalents, (ii) fixed income investments, including short term municipal debt, municipal bonds, U.S. bonds, high yield/emerging market debt, and (iii) equity investments, including, U.S. large capitalization, U.S. mid-capitalization, U.S. small capitalization, Europe, Japan, Asia Pacific (ex-Japan), emerging markets. The asset allocation categories and classes utilized are subject to change.

All asset allocations established from time to time are developed by first starting with a traditional baseline determined to be appropriate based on the relevant investment objective/risk tolerance. Then, strategic asset allocation concepts are applied by looking ahead ten (10) years to determine how each asset class should be weighted in the asset allocation to reflect its long-term economic and market forecast. Finally, tactical asset allocation concepts are applied by looking ahead three (3) to twelve (12) months to determine how to shift asset allocation weightings to reflect short-term economic and market forecasts. The asset allocations established reflect many variables. CGMI and its affiliates may offer other investment management and other programs which may be based on different methodologies than Citi MFP and which might result in different asset allocations, asset classes or investments than Citi MFP.

The MACS IC reviews and considers the asset allocation of the “mid-level,” balanced portfolio at least quarterly. In unusual market or economic circumstances, the MACS IC may adjust an asset allocation more frequently than quarterly. If the MACS IC determines that the asset allocation should not be changed, the MACS IC may leave the asset allocation unchanged for as long as the MACS IC deems appropriate. Using the “mid-level,” balanced portfolio as a guideline, CGMI will adjust the asset allocation of the other portfolios in accordance with their respective risk tolerances.

Changes in the asset allocation will likely result in transactions in a client portfolio, and these transactions could have tax consequences for a client account.

Client's Citi MFP assets will be automatically reallocated (through a series of purchases and redemptions of mutual fund shares), to the then current recommendation at such time as CGMI recommends a change, except to the extent that market conditions and/or orderly purchase and redemption procedures may delay such transactions. CGMI may also enter into a contract with Clearing Firm or another third party that will provide administrative and/or technical services designed to assist CGMI in implementing recommendations on clients' behalf under Citi MFP for mutual funds (the "MFP Administrator"). Under such circumstances, the MFP Administrator will, upon the specific instruction of CGMI or an affiliate invest and re-invest mutual fund assets in each account and implement mutual fund recommendations made by CGMI. The MFP Administrator will effect such transactions in the account only pursuant to the instructions of CGMI or an affiliate.

In addition to the periodic review, the client receives confirmations of all transactions and account statements in any month in which there is activity and, in any event, quarterly.

When a mutual fund is added to Citi MFP, CGMI or an affiliate reviews the mutual fund's management, investment process, portfolio structuring techniques, performance history and style-orientation as described in "Item 6.A—Research in Advisory Programs." Once CGMI determines the mutual fund is appropriate for Citi MFP, the mutual fund is made available. Going forward, CGMI may conduct periodic interviews with mutual fund representatives and reviews of portfolios of mutual funds in the major equity asset classes to determine if the mutual funds remain fit for the assigned asset class. From time to time, if a mutual fund would be more appropriately placed in another class category, CGMI may re-categorize the mutual fund. Certain mutual funds may not be subject to CGMI interviews or portfolio reviews if they are in the fixed income or specialty asset classes or if the mutual funds do not make the management and/or portfolio information available. In addition, existing mutual funds in Citi MFP may not meet the same criteria applied to new mutual funds added to Citi MFP.

However, in the course of its ongoing review of mutual funds available in Citi MFP, CGMI may discover information about a mutual fund that would cause it to reconsider its decision to make the fund available in Citi MFP. Issues related to personnel and management turnover, organizational issues, investment process issues, compliance-related issues and asset level factors may cause CGMI to decide to terminate the mutual fund's availability in the Citi MFP. It is within CGMI's sole discretion to allow, deny, maintain or terminate a Fund's availability in Citi MFP, as further described in "Item 6.A—Research in Advisory Programs."

In Citi MFP, neither CGMI nor any affiliated entity has any investment discretion over the client's account. The client makes all investment decisions, except as with regard to the auto-reallocate feature.

CGMI and CGMI advisers may also provide other services in connection with Citi MFP. Any such services will be specified in the investment advisory agreement between CGMI and the client.

Fees

The annual fee for participation in Citi MFP by the client is payable quarterly and determined according to the following schedule. The total fee to be paid in connection with a client account will be computed using the different rates applicable to each range of asset values, as shown on the fee schedule below. The total fee will be a "blend" of the different rates applicable to each range of asset values.

<u>Value of Citi MFP Assets</u>	<u>CGMI Annual Fee</u>
First \$500,000	1.5%
Next \$500,000 or portion thereof	1.2%
Assets over \$1,000,000	1.0%

The quarterly fee is due on the tenth (10th) business day of the third (3rd) month in each calendar quarter and is based on the fair market value of the client's Citi MFP assets on the last day of the previous quarter.

Additional Citi MFP Fee Information

The minimum initial investment in a Citi MFP account is \$10,000. The annual fee and minimum initial amounts may be subject to negotiation. The annual fee and minimum initial amounts may differ based on a number of factors, including, but not limited to the amount of Citi MFP assets and the number and range of supplemental advisory and client related services to be provided by CGMI and the CGMI adviser responsible for the Citi MFP assets.

The fees described above cover only the services described above. To the extent relevant, a portion of the fees described above will be paid to the MFP Administrator. Any fee that a trust company affiliated with CGMI charges for its services (if applicable) as custodian and trustee for the Citi MFP assets pursuant to a separate agreement between the client and the trust company will be charged separately.

Interest will be charged to a client's account should the account at any time reflect a debit balance. The "net equity" value of assets, calculated as total assets less debit balance, will be used for the purpose of calculating the Citi MFP fee.

A client or CGMI may terminate participation in Citi MFP at any time, by giving five (5) days' notice. If participation in Citi MFP is terminated, any advisory fees paid in advance will be refunded on a pro-rata basis.

Participation in Citi MFP may be available for a reduced charge, or without charge, and/or subject to a lower minimum initial investment requirement to employees of CGMI and its affiliates, to their immediate families and to individual retirement accounts and certain employee pension benefit plans for these persons.

In addition to the Citi MFP fee, the client will bear a proportionate share of the fees and expenses incurred by the mutual funds in which the client is invested. The prospectus of each of these mutual funds describes the fees and expenses.

Legg Mason Private Portfolios Program

NOTE: This program is not currently open to new clients. Should you be interested in a managed account program with features similar to this program, please consult your CGMI adviser.

The Legg Mason Private Portfolios Program ("LMPP") enables CGMI clients to invest in investment portfolios offered by Legg Mason Private Portfolio Group, LLC ("LMPPG"). The Overlay Manager (as defined in "Item 4.A.5–Citi's Role as Overlay Manager") provides certain portfolio implementation and overlay services in connection with LMPP. See "Item 4.A.5–Execution of Transactions when Citi is the Overlay Manager," "Item 4.A.5–Citi's Role as Overlay Manager," and "Item 4.A.5–Aggregation of Trade Orders; Trade Allocation; and Restrictions when Citi is the Overlay Manager" for more information on portfolio implementation and overlay services provided by the Overlay Manager. The minimum account size for accounts in LMPP is generally \$500,000, although certain portfolio managers may establish different minimums.

Services Provided

LMPP enables CGMI clients to invest in investment management portfolios offered by LMPPG. CGMI facilitates the retention, on the client's behalf, of one or more investment managers that serve as subadvisers to LMPPG and provide portfolio management services. Some of the subadvisers are affiliated with LMPPG. CGMI and LMPPG may agree from time to time to make additional subadvisers available for new accounts in LMPP, including subadvisers that are affiliated with LMPPG and those that are not. Which subadviser(s) are involved in managing a client's account will depend on the investment management portfolio selected by the client.

In LMPP, CGMI has the discretion to retain LMPPG on the client's behalf and delegate certain of its investment management authority to LMPPG or an affiliate. LMPPG, in turn, has the discretion to retain one or more subadvisers on the client's behalf and delegate certain of its investment management authority to such subadvisers. The subadvisers determine and instruct CGMI and/or LMPPG, as applicable, on investments to be purchased for the client's investment management portfolio. Neither CGMI nor LMPPG will review or make any independent determination as to the merits of a subadviser's investment instructions and the decisions reflected therein.

The Overlay Manager (in the case of Multiple Discipline Accounts) and LMPPG (in all other cases) will invest and reinvest the securities, cash and/or other investments held in a client account in accordance with the investment instructions of the relevant subadviser. For more information on portfolio implementation and overlay services provided by the Overlay Manager, see "Item 4.A.5–Execution of Transactions when Citi is the Overlay Manager," "Item 4.A.5–Citi's Role as Overlay Manager," and "Item 4.A.5–Aggregation of Trade Orders; Trade Allocation; and Restrictions when Citi is the Overlay Manager." For more information on portfolio implementation and overlay services provided by LMPPG, please see the Legg Mason Brochure, which is available upon request through a client's CGMI adviser. CGMI and/or LMPPG and a subadviser involved in managing a client account may agree that the subadviser will be responsible for executing certain transactions on behalf of the account (e.g., purchases and sales resulting from a change in the subadviser's model or investment instructions). CGMI and/or LMPPG, as applicable, will determine the securities to be purchased or sold for the account on the basis of investment

instructions given to CGMI or LMPPG by the subadviser and communicate such information to the subadviser for execution.

Evaluation and Selection of Investment Management Portfolios

Each investment management portfolio will be selected from the universe of investment strategies for which CGMI or an affiliate (or a third party retained by CGMI or an affiliate) has performed research meeting the CitiAccess List standard or more rigorous CitiFocus List standard and has determined that CGMI can recommend the investment management portfolio. If an investment management portfolio includes any mutual funds, those mutual funds may not have been evaluated or reviewed.

In the event of a Downgrade (as defined in “Item 6.A—Research in Advisory Programs”), where an investment management portfolio no longer meets the CitiFocus List or CitiAccess List standards and CGMI determines that it is advisable and in the best interest of a client, CGMI will notify the client and either (i) a replacement investment management portfolio will be selected by the client (or, if the client fails to select a replacement investment management portfolio, by CGMI) from recommendations provided by CGMI or an affiliate (or a third party retained by CGMI or an affiliate), or (ii) the investment advisory agreement will automatically terminate upon a date selected by CGMI and communicated to client with reasonable advance notice. Before a replacement investment management portfolio is selected or a client’s assets are transferred from the current investment management portfolio to the replacement investment management portfolio, CGMI will attempt to notify client orally or in writing and will attempt to obtain the oral or written concurrence of client. It is understood, however, that CGMI need not seek or obtain client’s concurrence if CGMI has been unable to obtain oral or written direction from the client regarding the change in investment management portfolio.

If the client desires to continue investing in an investment management portfolio subject to a Downgrade, CGMI will permit the client to do so under an alternative platform offered by CGMI subject to client’s completion and execution of the necessary documentation to open an account on such alternative platform. Alternatively, in the event client wishes to continue to use an investment management portfolio subject to a Downgrade, CGMI may, in its sole discretion (but is not obligated to), notify the client that (i) CGMI or an affiliate (or a third party retained by CGMI or an affiliate) no longer recommends the investment management portfolio and (ii) CGMI will (a) make no further representations concerning the investment management portfolio, (b) not assume any liability for any loss, claim, damage or expense attributable to client’s determination to continue to use the investment management portfolio and (c) not continue to evaluate or make any representations regarding such investment management portfolio.

Account Information

CGMI (either directly, through Clearing Firm or a third party vendor) confirms all transactions executed through CGMI or Clearing Firm and provides account statements at least quarterly. Clients also receive periodically a “Performance Review,” which is a statistical review and analysis of the account. Clients may elect to waive the receipt of trade confirmations after the completion of each trade in favor of incorporation into client account statements. Clients may also receive mutual fund and ETF prospectuses, where appropriate.

In LMPP, client may request that a particular security or category of securities not be purchased for an account. CGMI, LMPPG and each subadviser will use their respective best efforts to comply with any reasonable restrictions that client notifies CGMI in writing that it is placing on a particular security or category of securities for the account. Where a category of securities is restricted, LMPPG will determine in its sole discretion the specific securities in that category. Restrictions imposed by client on the management of the account will not apply to or affect the internal management or investments of a mutual fund or ETF purchased for the account in accordance with the investment management portfolio selected by the client. Each mutual fund and ETF is managed or invested in accordance with such fund’s investment objectives and guidelines set forth in the fund’s prospectus.

Fees

LMPP is available on a fee plus commission basis (generally only for larger equity, balanced or multi-style accounts) or on an inclusive asset-based fee basis. An inclusive fee covers the services described above (including fees of the Overlay Manager, LMPPG and applicable subadvisers), as well as custody of securities and trade execution with or through CGMI and Clearing Firm. Clients bear the cost of commissions or other transaction charges for securities trades directed by the Overlay Manager, LMPPG or a subadviser to firms other than CGMI or Clearing Firm for execution. Transactions in fixed income and certain other securities generally involve payment of

mark-ups or mark-downs or other charges to dealers other than CGMI or Clearing Firm in addition to the asset-based fees. See “Item 4.C–Additional Information Regarding Fees and Charges.”

The client will bear a proportionate share of the fees and expenses incurred by any mutual funds in which the client is invested. The prospectus of each of these funds describes these internal fees and expenses in detail. For more information relating to fees please see “Item 4.C–Additional Information Regarding Fees and Charges” and “Item 9.B.1–Compensation from Funds.”

Legg Mason Private Portfolios Program

The total fee to be paid in connection with a client account will be computed using the different rates applicable to each range of asset values, as shown on the fee schedule below. The total fee will be a “blend” of the different rates applicable to each range of asset values.

Inclusive Asset-Based Fee

Equity, Balanced and Multi-Style Accounts

Assets	CGMI Annual Fee
First \$500,000	3.00%
Next \$500,000	2.20%
Next \$1 million	1.90%
Over \$2 million	1.70%

Fixed Income Accounts

Assets	CGMI Annual Fee
First \$500,000	1.25%
Next \$500,000	1.00%
Next \$1 million	0.85%
Over \$2 million	0.75%

Fee Plus Commission

Equity, Balanced and Multi-Style Accounts

Assets	CGMI Annual Fee
First \$3 million	1.00%
Next \$7 million	0.75%
Over \$10 million	0.50%

Fees are negotiable based on a number of factors, which may result in a particular client paying a fee greater or less than the standard fees. Fees are generally payable quarterly in advance. Subadvisers may have a conflict of interest in the fee plus commission option since LMPPG acts as an overlay manager.

The portion of the asset-based fee paid by CGMI to LMPPG depends upon the asset class, the investment style, the total amount of assets allocated to LMPPG in LMPP and the assets in a client account. CGMI generally pays LMPPG based on the following table, where the assets in the client account are less than \$5 million at account inception:

Account Type	Annual LMPPG Fee Range
Equity Large Cap/Balanced	0.45% to 0.38%
Equity Mid Cap, Multiple Discipline, Multiple Discipline (Custom)	0.45% to 0.40%
Equity Small/Mid Cap	0.45%
International	0.48% to 0.45%
Strategic, Fixed Income	0.30% to 0.23%

Different fees will apply in some circumstances. Also, LMPPG pays a portion of its fee from a client account to each subadviser involved in providing investment management services for such account.

Where the client is invested in some of the account types listed above, CGMI and the subadviser retain a larger portion of the fee charged to clients than when the client is invested in other account types. The fee paid to the CGMI adviser does not vary depending on the account type the client is invested in, except that the CGMI adviser’s compensation is directly affected by the size of the client’s annual fee. Therefore CGMI advisers may have an incentive to recommend equity, balanced and multi-style accounts over fixed income accounts since the former have higher standard annual fees than the latter.

Umbrella Portfolios Program

NOTE: This program is not currently open to new clients. Should you be interested in a managed account program with features similar to this program, please consult your CGMI adviser.

Services Provided

Under the Umbrella Portfolios Program (“Umbrella Portfolios”), the client selects from one or more of five portfolio objectives spanning the risk spectrum, based upon the client’s investment objectives, risk tolerance and investment time horizon for the assets, or the portion of assets, in each account. A separate account is established for each portfolio objective (also referred to in this description of the Umbrella Portfolios as a “portfolio”) the client may choose. The five portfolios available under the Umbrella Portfolios are:

- liquidity management and preservation of capital (“Level I”);
- income generation and capital preservation (“Level II”);
- modest capital appreciation and, secondly, preservation of capital (“Level III”);
- long-term growth of capital with moderate volatility (“Level IV”); and
- maximum long-term growth of capital (“Level V”).

The Level I and Level II portfolios, designated “Preservation Portfolios,” are for investors with a three (3) to five (5) year investment horizon who are seeking to maintain purchasing power, preserve capital, meet income needs and achieve consistent real growth of wealth. The Level III portfolio is designated the “Growth and Preservation Portfolio,” and is for investors with at least a four (4) year investment horizon who are seeking modest capital appreciation, with preservation of capital as a secondary objective. The Level IV and Level V portfolios, designated “Growth Portfolios,” are for investors with a five (5) to ten (10) year investment horizon who are seeking real growth of wealth and are willing to forgo income needs and withstand more volatility in order to achieve greater potential wealth enhancement.

The MACS IC of CIM is responsible for setting the asset allocation for the Level III or the Growth and Preservation Portfolio, which is the “mid-level,” balanced portfolio in this program. Using the Level III asset allocation as a guideline, CGMI implements the investment strategy and sets the asset allocation for the remaining four portfolios in accordance with their respective risk tolerances. Currently, asset allocation categories and classes are as follows: (i) cash and short term investments, including cash equivalents; (ii) fixed income investments, including short term municipal debt, municipal bonds, U.S. bonds and high yield/emerging market debt; (iii) equity investments, including, U.S. large capitalization, U.S. small capitalization, Europe, Japan, Asia Pacific (ex-Japan) and emerging markets; (iv) alternative investments, including private investment funds; and (v) opportunistic investments, including commodities, currencies and preferred securities, as well as investments in securities that may indirectly provide exposure to the foregoing. The asset allocation categories and classes utilized are subject to change.

The asset allocations established from time to time for a portfolio are developed by starting with a traditional baseline determined to be appropriate based on the portfolio’s investment objective and historical risk/return data for various asset classes. Then strategic asset allocation concepts are applied by looking ahead ten (10) years to determine how each asset class should be weighted in the investment portfolio to reflect its long-term economic and market forecast. Finally, tactical asset allocation concepts are applied by looking ahead three (3) to twelve (12) months to determine how to shift asset allocation weightings to reflect short-term economic and market forecasts. The asset allocations established reflect many variables. Additionally, in the event that the client selects the “Custom Umbrella Portfolio” option within the Umbrella Portfolios, the asset allocation may be further customized through consideration of the client’s individual investment objective and risk/return profile for a portfolio. CGMI and its affiliates may offer other investment management and other programs which may be based on different methodologies than Umbrella Portfolios and which might result in different asset allocations, asset classes or investments than Umbrella Portfolios.

The MACS IC (with respect to the Level III or the Growth and Preservation Portfolio) and CGMI (with respect to the other four portfolios) reviews and considers the asset allocation at least quarterly. In unusual market or economic circumstances, the MACS IC and CGMI may adjust a portfolio’s asset allocation more frequently than quarterly, subject to subscription and redemption rules applicable with respect to investments (including, without limitation, alternative investments) in which the portfolio’s assets are invested. CGMI is responsible for determining whether to rebalance client accounts in the Umbrella Portfolios following market movements, or the outperformance or underperformance of a portfolio or investment, to bring the asset allocations for such accounts

back into line with the applicable portfolio's then current asset allocations and for determining the timing and manner of any such rebalancing. The asset allocation percentages currently in effect for a particular portfolio may be obtained through the client's CGMI adviser. The minimum account size for new accounts in the Umbrella Portfolios is generally \$1 million.

CGMI; Investment Manager and Fund Selection; Portfolio Implementation

CGMI serves as the discretionary investment advisor of the assets in the Umbrella Portfolios. CGMI is responsible for selecting the portfolio manager(s) and/or investment fund(s) for each asset class in a portfolio through the manager and fund selection process designated for the Umbrella Portfolios. CGMI has established the MARC to select portfolio managers and investment funds, which may be affiliated or unaffiliated with Citigroup and CGMI. The MARC has established various criteria that are used to screen affiliated and unaffiliated portfolio managers and investment funds. These criteria are subject to change from time to time. In addition, the MARC may utilize the services of an independent consulting firm in the business of evaluating the capabilities of portfolio managers and investment funds to assist in the manager and fund selection process (in the case of asset classes other than those in the alternative investments category). In the event that the client selects the "Custom Umbrella Portfolio" option within the Umbrella Portfolios, CGMI will consider the client's individual investment objective and risk/return profile when selecting portfolio manager(s) and/or investment fund(s) for each asset class in a portfolio.

The MARC may select a portfolio manager or investment fund for an asset class that invests in securities outside of such asset class so long as the MARC determines that such manager's or fund's primary focus is on securities within such asset class. In terms of performance criteria, a portfolio manager's or investment fund's performance generally will be assessed versus a performance benchmark for the relevant asset class and versus other managers and funds in the asset class for consistency of performance and style. In terms of qualitative criteria, the MARC, in general, seeks to select portfolio managers and investment funds advised by managers that have stable teams, as evidenced by low staff turn-over rates and a well-defined investment management philosophy and process.

The MARC undertakes periodic reviews of a broad range of factors to determine whether each portfolio manager and investment fund remains appropriate for clients given their objectives going forward. Factors considered include investment performance, staffing, operational and compliance issues and financial condition. The MARC also considers as a factor whether the portfolio manager or investment fund continues to satisfy the criteria that it applies in determining whether to include a manager or fund in the Umbrella Portfolios in the first instance. CGMI personnel may interview the management team for each portfolio manager or investment fund periodically to discuss these matters. If CGMI determines such an action to be advisable and in the best interest of its clients, CGMI may, on a discretionary basis, terminate a portfolio manager's or investment fund's participation in the Umbrella Portfolios and replace such manager or fund with another portfolio manager or investment fund selected by the MARC. Client accounts may be uninvested or invested in cash equivalents or exchange traded funds during the transition period to a new portfolio manager or investment fund for a particular asset class, especially in the case of the alternative investments asset allocation category.

CGMI is responsible for implementing the portfolio in each client account consistent with the portfolio investment objective chosen by the client and any special instructions or restrictions imposed by the client. Notwithstanding from time to time that the client may obtain from the client's CGMI adviser the asset allocation percentages currently in effect for a particular portfolio and the portfolio manager or investment fund chosen for each asset class for that portfolio, the process is dynamic and the account management is fully discretionary. Therefore, any such information which may be provided to clients is only illustrative in nature and may not represent the percentages of each asset class in the client accounts or the portfolio managers or investment funds in which the assets in client accounts will be invested. In addition, CGMI in its sole discretion shall determine the timing of the investment of client accounts, as well as any rebalancing of the client accounts. Accordingly, there may be periods of time when client account assets are not fully invested under the Umbrella Portfolios (particularly, when a client's account is opened).

The assets in each asset class are generally invested on a discretionary basis with a single portfolio manager or in a single investment fund chosen by the MARC, although multiple managers or funds may be used. In the case of assets to be managed by a portfolio manager on a separately managed account basis, the actual investment of such assets shall be performed either (i) by CGMI and/or the Overlay Manager (a "Citi Executed SMA") or (ii) directly by the portfolio manager (a "Portfolio Manager Executed SMA"). In the case of a Citi Executed SMA, CGMI and/or the Overlay Manager shall invest the assets based on instructions communicated to CGMI by the portfolio manager and in accordance with portfolio implementation rules and instructions communicated to the portfolio

managers by CGMI and/or the Overlay Manager. In the case of both a Citi Executed SMA and a Portfolio Manager Executed SMA, in some circumstances, a portfolio manager may communicate instructions to CGMI and/or the Overlay Manager with respect to a client account trade or directly place a client account trade, as applicable, after the portfolio manager has filled orders for the same trade for other clients of the portfolio manager. Client accounts may not receive as favorable price as would be the case if the trade had been made at the time that the portfolio manager placed orders for its other clients. Therefore, the process may negatively impact the performance of client accounts. However, CGMI (directly or through affiliates) has a process to periodically monitor an investment manager's performance in a particular style compared to the performance of CGMI accounts (managed in accordance with that manager's instructions for that style) designed to detect material differences in performance, if any. See "Item 6.A—Research in Advisory Programs—Review of Performance Information." Ultimately, it is the investment manager's responsibility to ensure that the clients are treated fairly and equitably in the transmission of model change information. For further information regarding the operations of the Overlay Manager, see "Item 4.A.5—Execution of Transactions when Citi is the Overlay Manager," "Item 4.A.5—Citi's Role as Overlay Manager," and "Item 4.A.5—Aggregation of Trade Orders; Trade Allocation; and Restrictions when Citi is the Overlay Manager."

In the case of assets to be invested in investment funds, CGMI shall be responsible for the creation and execution of orders for the purchase and sale of shares/units in registered investment funds and unregistered investment funds on behalf of client accounts.

Assets in the alternative investments asset allocation category are generally invested in one or more unregistered investment funds (including hedge "fund of funds") available in the form of interests in such funds. The process for selecting investment funds in the alternative investments category is more qualitative in nature than is the process for selecting portfolio managers and investment funds outside of the alternative investments category. Investment funds in the alternative investments category typically have incentive fee arrangements. Under such an arrangement, the manager of the investment fund and the advisors and managers of underlying portfolios or funds may receive compensation based on appreciation in the fund's or underlying fund's or portfolio's assets. Such incentive fees may be an incentive to make investments that are riskier or more speculative than would be the case absent an incentive fee. For most eligible clients, it is anticipated that assets in the alternative investments asset allocation category will be invested in a private investment fund of funds vehicle that is advised by an affiliate of CGMI. However, in such cases, clients will not bear any additional management fee payable to the affiliated adviser.

There can be no assurance that the investment strategies applied by CGMI in managing client accounts will be successful or that the investment objectives of the portfolios available under the Umbrella Portfolios will be achieved. An investment in the Umbrella Portfolios and portfolios under the Umbrella Portfolios involves risk, including possible loss of principal.

From time to time, the performance of portfolios available under the Umbrella Portfolios, as well as the accounts in which they are held, may be compared to a benchmark established for the portfolios or such accounts. There can be no assurance, and no representation or warranty of any kind is made, that any portfolio or client account will, over any period of time, achieve performance equal to or greater than the performance of its benchmark.

CGMI may delegate some of its rights and obligations in the Umbrella Portfolios to one or more of its affiliates, including, without limitation, Citibank, or a business unit of Citibank or an affiliate.

In Umbrella Portfolios, a client may request in writing that certain specified securities, or certain categories of securities, not be purchased for the account. In the event a category is restricted, the Overlay Manager will determine in its discretion the specific securities that will be treated as falling within the restricted category; provided that the Overlay Manager shall be bound only by the plain investment meaning of restrictions that it accepts and shall have no obligation to determine the legal meaning or interpretation of any restriction. In making this determination, the Overlay Manager may rely on outside sources, such as standard industry codes and research furnished by independent service providers. Restrictions imposed by client on the management of the account will not apply to or affect the internal management of a mutual fund, ETF, or alternative investments purchased for the account in accordance with the portfolio selected by client. Each mutual fund, ETF, and alternative investment is managed in accordance with its own investment objectives and guidelines set forth in its prospectus.

Account Information

CGMI (either directly, through Clearing Firm or a third party vendor) confirms all transactions executed through CGMI or Clearing Firm and provides account statements at least quarterly. Clients may elect to waive the receipt of trade confirmations after the completion of each trade in favor of incorporation into client account statements.

Fees

Umbrella Portfolios Program

The total fee to be paid in connection with a client account will be computed using the different rates applicable to each range of asset values, as shown on the fee schedule below. The total fee will be a “blend” of the different rates applicable to each range of asset values.

Account Asset Values		Account Asset Values Ranges	CGMI Annual Account Fee	
			Level I	Level II -V
On the First	\$10,000,000	\$0.00 - \$10,000,000	0.75%	1.00%
On the Next	\$10,000,000	\$10,000,000 - \$20,000,000	0.50%	0.75%
On the Next	\$30,000,000	\$20,000,000 - \$50,000,000	0.50%	0.50%
On Assets Over	\$50,000,000	\$50,000,000 and above	0.50%	0.50%

- CGMI fees are negotiable based on a number of factors, which may result in a particular client paying a fee greater or less than the standard fees. Fees are generally payable monthly in arrears.
- There will be a 0.50% flat fee for clients with over \$50 million of assets under management in the Umbrella Portfolios.
- The “Custom Umbrella Portfolio” option within the Umbrella Portfolios is only available to clients that invest at least \$10 million in the Umbrella Portfolios.
- The client will bear a proportionate share of the fees and expenses incurred by any mutual funds or alternative investments included in the Umbrella Portfolios. The prospectus or offering memorandum of each of these investments describes these internal fees and expenses in detail. For more information relating to fees please see “Item 9.B.1—Compensation from Funds.”
- Investment managers charge management fees and may charge performance fees in addition to the above fee.
- For all portfolios, there is no portfolio level performance fee, but a performance fee may be charged at both the private investment fund level, as well as at the level of any portfolio investment underlying any private investment fund.
- For accounts that were previously invested in the Global Managed Portfolios Program, the investment advisory fee will be grandfathered at the initial contractual rate. Thus, the fees incurred may be higher or lower than the amount stated in the above fee schedule.

Multi-Asset Class Solutions Umbrella Portfolios Program

Services Provided

Under the Multi-Asset Class Solutions Umbrella Portfolios Program (“MACS Umbrella Portfolios”), the client selects from one or more of five portfolio objectives spanning the risk spectrum, based upon the client’s investment objectives, risk tolerance and investment time horizon for the assets, or the portion of assets, in each account. A separate account is established for each portfolio objective (also referred to in this description of the MACS Umbrella Portfolios as a “portfolio”) the client may choose. The five portfolios available under the MACS Umbrella Portfolios are:

- liquidity management and preservation of capital (“Level I”);
- income generation and capital preservation (“Level II”);
- modest capital appreciation and income (“Level III”);
- long-term growth of capital with moderate volatility (“Level IV”); and
- maximum long-term growth of capital (“Level V”).

The Level I portfolio is designated the “Preservation Portfolio,” and is for investors with a three (3) to five (5) year investment horizon who are seeking to maintain purchasing power, preserve capital, meet income needs and achieve consistent real growth of wealth. The Level II portfolio is designated the “Income Portfolio,” and is for investors with a three (3) to five (5) year investment horizon who are seeking to maintain purchasing power, preserve capital, meet income needs and achieve consistent real growth of wealth. The Level III portfolio is designated the “Growth and Preservation Portfolio,” and is for investors with at least a four (4) year investment horizon who are seeking modest capital appreciation, with preservation of capital as a secondary objective. The Level IV and Level V portfolios, designated “Growth Portfolios,” are for investors with a five (5) to ten (10) year investment horizon who are seeking real growth of wealth and are willing to forgo income needs and withstand more volatility in order to achieve greater potential wealth enhancement.

The MACS IC is responsible for setting the asset allocation for the Level III or the Growth and Preservation Portfolio, which is the “mid-level,” balanced portfolio in this program. Using the Level III asset allocation as a guideline, CGMI implements the investment strategy and sets the asset allocation for the remaining four portfolios in accordance with their respective risk tolerances. Currently, asset allocation categories and classes are as follows: (i) cash and short term investments, including cash equivalents; (ii) fixed income investments, including short term municipal debt, municipal bonds, U.S. bonds and high yield/emerging market debt; (iii) equity investments, including, U.S. large capitalization, U.S. small capitalization, Europe, Japan, Asia Pacific (ex-Japan) and emerging markets; (iv) alternative investments, including private investment funds; and (v) opportunistic investments, including commodities, currencies and preferred securities, as well as investments in securities that may indirectly provide exposure to the foregoing. The asset allocation categories and classes utilized are subject to change.

The asset allocations established from time to time for a portfolio are developed by starting with a traditional baseline determined to be appropriate based on the portfolio’s investment objective and historical risk/return data for various asset classes. Then strategic asset allocation concepts are applied by looking ahead ten (10) years to determine how each asset class should be weighted in the investment portfolio to reflect its long-term economic and market forecast. Finally, tactical asset allocation concepts are applied by looking ahead three (3) to twelve (12) months to determine how to shift asset allocation weightings to reflect short-term economic and market forecasts. The asset allocations established reflect many variables. Additionally, in the event that the client selects the “Custom Portfolio” investment option within the MACS Umbrella Portfolios, the asset allocation may be further customized through consideration of the client’s individual investment objective, risk/return profile and investment guidelines for a portfolio. CGMI and its affiliates may offer other investment management and other programs which may be based on different methodologies than MACS Umbrella Portfolios and which might result in different asset allocations, asset classes or investments than MACS Umbrella Portfolios.

The MACS IC (with respect to the Level III or the Growth and Preservation Portfolio) and CGMI (with respect to the other four portfolios) reviews and considers the asset allocation at least quarterly. In unusual market or economic circumstances, the MACS IC and CGMI may adjust a portfolio’s asset allocation more frequently than quarterly, subject to subscription and redemption rules applicable with respect to investments (including, without limitation, alternative investments) in which the portfolio’s assets are invested. CGMI is responsible for determining whether to rebalance client accounts in the MACS Umbrella Portfolios following market movements, or the outperformance or underperformance of a portfolio or investment, to bring the asset allocations for such accounts back into line with the applicable portfolio’s then current asset allocations and for determining the timing and manner of any such rebalancing. The asset allocation percentages currently in effect for a particular portfolio may be obtained through the client’s CGMI adviser. The minimum account size for new accounts in the MACS Umbrella Portfolios is generally \$250,000.

CGMI; Investment Manager and Fund Selection; Portfolio Implementation

CGMI serves as the discretionary investment advisor of the assets in the MACS Umbrella Portfolios. Consistent with the client’s investment selection in connection with the MACS Umbrella Portfolios, CGMI is responsible for selecting the portfolio manager(s) and/or investment fund(s), as applicable, for each asset class in a portfolio through the manager and fund selection process designated for the MACS Umbrella Portfolios. CGMI has established the MARC to select portfolio managers and investment funds, which may be affiliated or unaffiliated with Citigroup and CGMI. The MARC has established various criteria that are used to screen affiliated and unaffiliated portfolio managers and investment funds. These criteria are subject to change from time to time. In addition, the MARC may utilize the services of an independent consulting firm in the business of evaluating the capabilities of portfolio managers and investment funds to assist in the manager and fund selection process (in the case of asset classes other

than those in the alternative investments category). In the event that the client selects the “Custom Portfolio” investment option within the MACS Umbrella Portfolios, CGMI will consider the client’s individual investment objective, risk/return profile and investment guidelines when selecting portfolio manager(s) and/or investment fund(s) for each asset class in a portfolio.

The MARC may select a portfolio manager or investment fund for an asset class that invests in securities outside of such asset class so long as the MARC determines that such manager’s or fund’s primary focus is on securities within such asset class. In terms of performance criteria, a portfolio manager’s or investment fund’s performance generally will be assessed versus a performance benchmark for the relevant asset class and versus other managers and funds in the asset class for consistency of performance and style. In terms of qualitative criteria, the MARC, in general, seeks to select portfolio managers and investment funds advised by managers that have stable teams, as evidenced by low staff turn-over rates and a well-defined investment management philosophy and process.

The MARC undertakes periodic reviews of a broad range of factors to determine whether each portfolio manager and investment fund remains appropriate for clients given their objectives going forward. Factors considered include investment performance, staffing, operational and compliance issues and financial condition. The MARC also considers as a factor whether the portfolio manager or investment fund continues to satisfy the criteria that it applies in determining whether to include a manager or fund in the MACS Umbrella Portfolios in the first instance. CGMI personnel may interview the management team for each portfolio manager or investment fund periodically to discuss these matters. If CGMI determines such an action to be advisable and in the best interest of its clients, CGMI may, on a discretionary basis, terminate a portfolio manager’s or investment fund’s participation in the MACS Umbrella Portfolios and replace such manager or fund with another portfolio manager or investment fund selected by the MARC. Client accounts may be uninvested or invested in cash equivalents or exchange traded funds during the transition period to a new portfolio manager or investment fund for a particular asset class, especially in the case of the alternative investments asset allocation category.

CGMI is responsible for implementing the portfolio in each client account consistent with the portfolio investment objective and investment selection chosen by the client and any special instructions or restrictions imposed by the client. Notwithstanding from time to time that the client may obtain from the client’s CGMI adviser the asset allocation percentages currently in effect for a particular portfolio and the portfolio manager or investment fund chosen for each asset class for that portfolio, the process is dynamic and the account management is fully discretionary. Therefore, any such information which may be provided to clients is only illustrative in nature and may not represent the percentages of each asset class in the client accounts or the portfolio managers or investment funds in which the assets in client accounts will be invested. In addition, CGMI in its sole discretion shall determine the timing of the investment of client accounts, as well as any rebalancing of the client accounts. Accordingly, there may be periods of time when client account assets are not fully invested under the MACS Umbrella Portfolios (particularly, when a client’s account is opened).

Consistent with the client’s investment selection in connection with the MACS Umbrella Portfolios, the assets in each asset class are generally invested on a discretionary basis with a single portfolio manager or in a single investment fund, as applicable, chosen by the MARC, although multiple managers or funds may be used. In the case of assets to be managed by a portfolio manager on a separately managed account basis, the actual investment of such assets shall be performed either (i) by CGMI and/or the Overlay Manager (a “Citi Executed SMA”) or (ii) directly by the portfolio manager (a “Portfolio Manager Executed SMA”). In the case of a Citi Executed SMA, CGMI and/or the Overlay Manager shall invest the assets based on instructions communicated to CGMI by the portfolio manager and in accordance with portfolio implementation rules and instructions communicated to the portfolio managers by CGMI and/or the Overlay Manager. In the case of both a Citi Executed SMA and a Portfolio Manager Executed SMA, in some circumstances, a portfolio manager may communicate instructions to CGMI and/or the Overlay Manager with respect to a client account trade or directly place a client account trade, as applicable, after the portfolio manager has filled orders for the same trade for other clients of the portfolio manager. Client accounts may not receive as favorable price as would be the case if the trade had been made at the time that the portfolio manager placed orders for its other clients. Therefore, the process may negatively impact the performance of client accounts. However, CGMI (directly or through affiliates) has a process to periodically monitor an investment manager’s performance in a particular style compared to the performance of CGMI accounts (managed in accordance with that manager’s instructions for that style) designed to detect material differences in performance, if any. See “Item 6.A—Research in Advisory Programs—Review of Performance Information.” Ultimately, it is the investment manager’s responsibility to ensure that the clients are treated fairly and equitably in the transmission of model change information. For further information regarding the operations of the Overlay

Manager, see “Item 4.A.5—Execution of Transactions when Citi is the Overlay Manager,” “Item 4.A.5—Citi’s Role as Overlay Manager,” and “Item 4.A.5—Aggregation of Trade Orders; Trade Allocation; and Restrictions when Citi is the Overlay Manager.”

In the case of assets to be invested in investment funds, CGMI shall be responsible for the creation and execution of orders for the purchase and sale of shares/units in registered investment funds and unregistered investment funds on behalf of client accounts.

Consistent with the client’s investment selection in connection with the MACS Umbrella Portfolios, assets in the alternative investments asset allocation category are generally invested in either registered investment funds or unregistered investment funds (including hedge “fund of funds”) available in the form of interests in such funds. The process for selecting investment funds in the alternative investments category is more qualitative in nature than is the process for selecting portfolio managers and investment funds outside of the alternative investments category. Investment funds in the alternative investments category typically have incentive fee arrangements. Under such an arrangement, the manager of the investment fund and the advisors and managers of underlying portfolios or funds may receive compensation based on appreciation in the fund’s or underlying fund’s or portfolio’s assets. Such incentive fees may be an incentive to make investments that are riskier or more speculative than would be the case absent an incentive fee. For most eligible clients, it is anticipated that assets in the alternative investments asset allocation category will be invested in a private investment fund of funds vehicle that is advised by an affiliate of CGMI. However, in such cases, clients will not bear any additional management fee payable to the affiliated adviser.

There can be no assurance that the investment strategies applied by CGMI in managing client accounts will be successful or that the investment objectives of the portfolios available under the MACS Umbrella Portfolios will be achieved. An investment in the MACS Umbrella Portfolios and portfolios under the MACS Umbrella Portfolios involves risk, including possible loss of principal.

From time to time, the performance of each portfolio available under the MACS Umbrella Portfolios, as well as the accounts in which they are held, may be compared to benchmarks established for the portfolios or such accounts by CGMI. In establishing such benchmarks, CGMI will generally utilize the strategic asset allocation of each portfolio, without modification for any tactical asset allocation concepts. There can be no assurance, and no representation or warranty of any kind is made, that any portfolio or client account will, over any period of time, achieve performance equal to or greater than the performance of its benchmark. Additionally, because tactical asset allocation concepts generally will not be utilized in establishing a benchmark for any portfolio or client account, the benchmark established for a portfolio or account may not be representative of the actual asset allocation of the portfolio or account.

CGMI may delegate some of its rights and obligations in the MACS Umbrella Portfolios to one or more of its affiliates, including, without limitation, its rights and obligations with respect to the discretionary investment advisory services selected by the client in connection with the MACS Umbrella Portfolios. Such affiliates may include, without limitation, Citibank, a business unit of Citibank or an affiliate, or a non-U.S. affiliate.

In MACS Umbrella Portfolios, a client may request in writing that certain specified securities, or certain categories of securities, not be purchased for the account. In the event a category is restricted, the Overlay Manager will determine in its discretion the specific securities that will be treated as falling within the restricted category; provided that the Overlay Manager shall be bound only by the plain investment meaning of restrictions that it accepts and shall have no obligation to determine the legal meaning or interpretation of any restriction. In making this determination, the Overlay Manager may rely on outside sources, such as standard industry codes and research furnished by independent service providers. Restrictions imposed by client on the management of the account will not apply to or affect the internal management of a mutual fund, ETF, or alternative investments purchased for the account in accordance with the portfolio selected by client. Each mutual fund, ETF, and alternative investment is managed in accordance with its own investment objectives and guidelines set forth in its prospectus.

Account Information

CGMI (either directly, through Citibank, or through Clearing Firm or a third party vendor) confirms all transactions executed through CGMI or Clearing Firm and provides account statements at least quarterly. Clients may elect to waive the receipt of trade confirmations after the completion of each trade in favor of incorporation into client account statements.

Fees

Multi-Asset Class Solutions Umbrella Portfolios Program

The total fee to be paid in connection with a client account will be computed using the different rates applicable to each range of asset values, as shown on the fee schedule below. The total fee will be a “blend” of the different rates applicable to each range of asset values.

Account Asset Values		Account Asset Values Ranges	CGMI Annual Account Fee
On the First	\$1,000,000	\$0.00 - \$1,000,000	2.00%
On the Next	\$9,000,000	\$1,000,000 - \$10,000,000	1.00%
On the Next	\$15,000,000	\$10,000,000 - \$25,000,000	0.75%
On Assets Over	\$25,000,000	\$25,000,000 and above	0.50%

- CGMI fees are negotiable based on a number of factors, which may result in a particular client paying a fee greater or less than the standard fees. Fees are generally payable monthly in arrears.
- The investment minimums for the different investment options within the Umbrella Portfolios are as follows: (i) “Standard Portfolio” – at least \$250,000; (ii) “Core Portfolio” – at least \$1,000,000; and (iii) “Custom Portfolio” – at least \$10 million.
- The client will bear a proportionate share of the fees and expenses incurred by any mutual funds or alternative investments included in the Umbrella Portfolios. The prospectus or offering memorandum of each of these investments describes these internal fees and expenses in detail. For more information relating to fees please see “Item 9.B.1—Compensation from Funds.”
- Investment managers charge management fees and may charge performance fees in addition to the above fee.
- For all portfolios, there is no portfolio level performance fee, but a performance fee may be charged at both the private investment fund level, as well as at the level of any portfolio investment underlying any private investment fund.
- For accounts that were previously invested in the Global Managed Portfolios Program, the investment advisory fee will be grandfathered at the initial contractual rate. Thus, the fees incurred may be higher or lower than the amount stated in the above fee schedule.

A.5. All Programs

Compensation Paid to CGMI and Citibank

A portion of the advisory fees charged by CGMI are paid to affiliates of CGMI, CGMI advisers (including PM portfolio managers) or employees of CGMI affiliates in connection with the introduction of accounts as well as the provision of supplemental and other client-related services. Such payments may be made for the duration of the client accounts.

CGMI, through Clearing Firm, may permit qualifying clients to obtain loans on a non-purpose basis secured by the value of eligible securities in the client’s account (such loans referred to as “Non-Purpose Loans”). A Non-Purpose loan is defined as a loan whose proceeds cannot be used to purchase, carry or trade in securities or to repay debt incurred through the purchase of securities. CGMI may earn fees and other income for services provided in connection with the Non-Purpose Loans, in addition to the asset-based fee earned on collateral (asset-based fee account assets) for the Non-Purpose Loans. Before taking out a Non-Purpose Loan, the client should consider (i) the alternative of liquidating part of the account and (ii) the possibility that the return on the collateral may be lower than the interest paid on the Non-Purpose Loan (especially, if the collateral is a low-producing asset class, such as a money market fund). The client should be aware that CGMI or Clearing Firm, acting as client’s creditor, will have the authority to liquidate all or part of the account at any time to repay any portion of the Non-Purpose Loan, even if the timing of the liquidation may be disadvantageous to the client. Additionally, CGMI will have an interest in preserving the value of the collateral, which could be deemed to present a potential conflict of interest in connection with its management of the account.

CGMI, through Citibank, may permit qualifying clients to take out bank loans that are secured by assets in the clients' accounts. Clients can represent to Citibank how they intend to use the proceeds of the loans which may include purchasing securities (including securities in their managed accounts). Citibank thereby provides margin loans that may increase performance (with the resulting increased risk of loss) of clients' managed accounts.

Performance reports or account statements showing investment performance will not reflect the cost or effect of leverage on the performance of any investment funded with borrowed money from Citibank or from any third party. CGMI does not solicit clients to take out bank loans in order to purchase additional assets within managed accounts. Citibank may earn fees and other income for services provided in connection with the bank loans, which is in addition to any asset-based fees client may pay on managed accounts (asset-based fee account assets) which may serve as collateral for the bank loans. Before taking out a bank loan, the client should consider (i) the alternative of liquidating part of the account and (ii) the possibility that the return on the collateral may be lower than the interest paid on the bank loan (especially, if the collateral is a low-producing asset class, such as a money market fund). The client should be aware that CGMI, acting as client's creditor, will have the authority to liquidate all or part of the account at any time to repay any portion of the bank loan, even if the timing of the liquidation may be disadvantageous to the client. Additionally, Citibank will have an interest in preserving the value of the collateral, which could be deemed to present a potential conflict of interest in connection with CGMI's management of the account. See "Item 9—Other Financial Industry Activities and Affiliations—Advisory Account Lending."

CGMI May Be Restricted in its Ability to Trade or Provide Certain Advice

In order to comply with applicable regulatory requirements, there are time periods during which CGMI is not permitted to initiate or recommend certain types of transactions in the securities of issuers for which CGMI is performing investment banking services. In particular, when CGMI is engaged in an underwriting syndication or other distribution of corporate or municipal securities, CGMI may be prohibited from purchasing or recommending the purchase of certain securities of an issuer for its clients. Notwithstanding the circumstances described above, a client, on their own initiative, may direct CGMI to place orders for specific securities in the client's account. From time to time, restrictions are imposed by CGMI to address the potential for self-dealing by CGMI and conflicts of interest that may arise in connection with CGMI's broker-dealer and investment banking businesses. CGMI has adopted various procedures to guard against insider trading that include an "Information Barrier" procedure, pursuant to which information known within one area of CGMI (e.g., investment banking) may not be distributed to other areas (e.g., investment advisory), and use of a restricted list and various other monitoring lists. These investment banking or other activities may from time to time compel CGMI, the Overlay Manager or their affiliates to forgo trading in the securities of companies with which these relationships exist. This may adversely impact the investment performance of a client's account.

CGMI May Give Conflicting Advice or Trade Differently for Itself than Client's Accounts

CGMI and its affiliates may recommend securities in which it directly or indirectly has a financial interest and may buy and sell securities that are recommended to clients for purchase and sale. CGMI may also provide advice and take action in the performance of its duties to certain program clients which differs from advice given, or the timing and nature of action taken, for other clients' accounts. Moreover, CGMI or any of its affiliates may advise or take action for itself or themselves differently than for CGMI clients. In addition, CGMI, its affiliates and employees, including CGMI advisers, may invest with any investment managers. In situations in which CGMI advisers purchase or sell certain securities for their own accounts on the same day that transactions in such securities are effected for client accounts, the price paid or realized by advisory personnel generally may not be more advantageous than the price at which the client transactions are effected. If orders by advisory personnel are part of a batched client order and the entire block of securities is then not executed on the same day, no part of the order executed is permitted to be allocated to any advisory personnel. However, CGMI advisers are not subject to additional personal trading restrictions, such as extended blackout periods, that are applicable to CGMI employees who are associated with an affiliated manager.

Citi's Role as Overlay Manager

Citibank, CGMI, or an affiliate (collectively, "Citi") provides certain portfolio implementation and overlay services in connection with certain of the advisory programs described herein (in such capacity, the "Overlay Manager").

Implementation and Coordination Services Provided

The Overlay Manager provides the following portfolio implementation and overlay services (as applicable) for client accounts invested in certain of the advisory programs described herein:

- i. implementing investment instructions furnished to Overlay Manager by investment managers concerning the securities to be purchased, held, or sold for client accounts and determining the amount of securities to be purchased or sold for client accounts in accordance with rules and procedures agreed to by Overlay Manager and the investment managers;
- ii. placing orders for and arranging for the purchase or sale of securities with broker-dealers to implement the investment instructions of the investment managers and/or, to the extent agreed between the Overlay Manager and an investment manager and at the discretion of the Overlay Manager, communicating the amount of securities to be purchased or sold for client accounts to an investment manager for execution with broker-dealers selected by the investment manager;
- iii. placing orders for the purchase, sale, or redemption of shares of mutual funds and exchange-traded funds to implement the investment instructions of clients and/or investment managers (applicable for portfolios and programs involving investment in such funds);
- iv. rebalancing client accounts among two or more investment styles (applicable for accounts with multiple investment styles represented);
- v. coordinating a client account's non-fund holdings (applicable for accounts with multiple non-fund investment styles represented) in consultation with the applicable investment managers;
- vi. implementing reasonable restrictions imposed by a client on the management of the non-fund holdings portion of such client's account; and
- vii. managing client accounts consistent with asset allocation and non-registered fund, registered investment company or asset class selections made by clients.

Overlay Manager is directed by the applicable investment manager's instructions as to the securities to purchase and sell for client accounts, except as otherwise noted in the description of a specific program. Overlay Manager follows the instructions of the investment managers in determining the timing and extent of rebalancing among multiple investment styles in a balanced account or multiple discipline account.

In coordinating a client account's non-fund holdings, Overlay Manager may, in consultation with the applicable investment managers, eliminate or reduce portfolio overlap resulting from a particular security being recommended by more than one investment manager. Overlay Manager will also monitor an individual security's position size within a client's account based on parameters set by the applicable investment manager and, in consultation with the investment manager, reduce such position size should a security's position reach certain levels.

Execution of Transactions when Citi is the Overlay Manager

This section describes Overlay Manager's handling of trade execution responsibilities for client accounts. Overlay Manager and an investment manager may agree that such investment manager, at the discretion of Overlay Manager, is responsible for executing all or certain transactions on behalf of client accounts. Overlay Manager has no execution responsibilities for these transactions and will not be in a position to monitor for best price and execution.

Each client (or the program sponsor of a wrap fee program in which a client participates) generally directs Overlay Manager to execute, or is generally informed that Overlay Manager will execute, securities transactions through the client's program sponsor or a broker-dealer designated by the sponsor (designated broker), subject to Overlay Manager's obligation to seek best execution. To the extent not inconsistent with such directions, disclosures and applicable agreements, Overlay Manager, in its sole discretion and in accordance with applicable law (including Overlay Manager's obligation to seek best execution), may effect transactions for accounts through or with the program sponsor, the program's designated broker-dealer or any other broker or dealer.

It is Overlay Manager's policy to seek best qualitative execution when executing transactions on behalf of clients. Best execution is not necessarily measured by the circumstances surrounding a single transaction but may be sought over time across multiple transactions. Overlay Manager may select broker-dealers, including alternative execution services (e.g., electronic communication networks and crossing networks), for trade execution which, in its best

judgment, provide prompt and reliable execution at favorable security prices with reasonable commission rates and/or other transaction costs. The best net price, giving effect to brokerage commissions, commission equivalents, spreads and other costs, is an important factor in this decision, although a number of other factors may also enter into the decision. These factors may include price level; available commission rates, mark-ups, mark-downs and/or spread levels; the nature of the security being traded; the size and complexity of the transaction; the desired timing of the trade; the activity existing and expected in the market for the particular securities; confidentiality; execution, clearance and settlement capabilities; counterparty financial condition and reliability; the availability of capital commitment; and other relevant and appropriate services of the broker-dealer.

Overlay Manager may implement purchase and sale transactions in ADRs for client accounts through broker-dealers that facilitate investment in ADRs through transactions in a company's ordinary shares in non-U.S. markets and the conversion of such shares into ADRs. Such transactions typically involve foreign exchange, ADR conversion and related costs and charges which are reflected in a net price paid or received by the client. Such costs and charges are in addition to the fees and commissions payable for account management and security trade execution.

If the client is a participant in a wrap fee program, under which the client is charged an asset-based fee for portfolio management and trade execution services, the client typically will not pay any transaction-specific commissions on agency trades executed by the program sponsor or designated broker. A wrap fee program client may pay transaction-specific commissions, commission equivalents or spreads on trades Overlay Manager directs to a broker-dealer other than the program sponsor or designated broker. These fees or charges may be separately charged to the client's account or reflected in the security net price paid or received. Due to the separate fees or charges that may be incurred when Overlay Manager effects trades for a wrap fee program client with broker-dealers other than the program sponsor or designated broker, it is expected that Overlay Manager will effect a large percentage of transactions for a client's account that are driven by activity specific to that account (e.g., additions and withdrawals) with the program sponsor or designated broker.

In the case of trades that are driven by a change in an underlying investment manager's investment model and that need to be effected for many clients, Overlay Manager generally will seek to aggregate these trades for execution through a single broker-dealer in a block trade and then to step out those trades to the applicable program sponsor for clearance and settlement in the ordinary course. Overlay Manager has established relationships with one or more broker-dealers that generally could agree to execute such block trades at no additional cost to Overlay Manager's clients. A portion of the client accounts participating in the trade typically will be accounts that have paid a wrap fee covering execution to the executing broker-dealer ("non-trade away accounts"). A portion of participating accounts will be accounts that pay a wrap fee or transaction-specific compensation to a broker-dealer other than the executing broker-dealer ("trade away accounts"). For trade away accounts, Overlay Manager directs the executing broker-dealer to allocate and deliver the portion of the trade attributable to such accounts to the client's sponsor or designated broker for clearance and settlement. While aggregating trades as indicated could be viewed as providing a benefit to trade away accounts at the expense of non-trade away accounts, it should be noted as an equitable matter that: (i) trade away clients pay transaction-related compensation to their designated broker-dealer instead of the executing broker-dealer, and (ii) it is not expected that the wrap fees paid by non-trade away clients will be affected by such block trading arrangements.

In engaging an underlying investment manager, Overlay Manager will seek assurances that the investment manager will communicate model changes to Overlay Manager in accordance with procedures that are designed to be fair and equitable to Overlay Manager's clients in relation to other clients of the investment manager. Such procedures could include a rotation process or the simultaneous transmission of model change information to multiple venues, including Overlay Manager and a trading desk maintained by the investment manager to effect transactions on behalf of other client accounts, or a combination of both. In the case of simultaneous transmission, it is anticipated that orders that Overlay Manager places in most cases will end up competing in the marketplace with orders placed by the investment manager's trading desk on behalf of its other clients. This competition has the potential to negatively impact all clients of the investment manager, though competition concerns are mitigated where the securities involved have significant trading volume and high liquidity. In the case of less liquid securities, an underlying investment manager may seek to mitigate competition concerns through the use of limit orders and specific price targets, among other means. In some circumstances, an investment manager may communicate instructions to the Overlay Manager with respect to an account trade after the investment manager has filled orders for the same trade for other clients of the investment manager. An account may not receive as favorable price as would be the case if the trade had been made at the time that the investment manager placed orders for its other clients. Therefore, the process may negatively impact on the performance of the account. However, CGMI (directly

or through affiliates) has a process to periodically monitor an investment manager's performance in a particular style compared to the performance of CGMI accounts (managed in accordance with that manager's instructions for that style) designed to detect material differences in performance, if any. Ultimately, it is the investment manager's responsibility to ensure that the clients are treated fairly and equitably in the transmission of model change information.

While Overlay Manager has established processes to implement model change trades promptly, an investment manager's trading desk may, notwithstanding the simultaneous transmission of model change information, be able to place certain trade orders with broker-dealers for its other client accounts prior to the time that Overlay Manager is able to do so for wrap fee program clients due to unique servicing requirements associated with such accounts. Overlay Manager's clients could be negatively impacted by such timing differences.

Aggregation of Trade Orders; Trade Allocation; and Restrictions when Citi is the Overlay Manager

As noted in "Item 4.A.5—Execution of Transactions When Citi is the Overlay Manager," the Overlay Manager generally will seek to aggregate trades that are driven by a change in the investment model of an underlying investment manager and that need to be effected on behalf of a range of client accounts. In such event, the transaction will be allocated by the Overlay Manager according to one or more methods designed to ensure that such allocation is equitable and fair. These methods include pro rata allocation and random allocation. Pursuant to these methods, aggregated orders effected each day are averaged as to price. Generally, the pro rata allocation method is used. The random allocation method is intended for situations in which the partial execution quantity is an amount that does not allow for a pro rata allocation of securities to all accounts or does not allow for a meaningful allocation of securities to all accounts. Under the random allocation method, a partially filled order is allocated to accounts included in the aggregated order on a random basis by the Overlay Manager's trading system. This method generally will be used by the Overlay Manager only after consulting with and seeking direction or agreement from the portfolio management team at the applicable investment manager. Where an aggregated order covers clients in multiple investment manager programs, the securities generally are allocated to the investment manager programs participating in the order on a pro rata basis. The securities are then allocated to clients within each investment manager program following one of the accepted trade allocation methods. The Overlay Manager does not consider account performance or fee structure in making investment opportunity allocation decisions. As a general rule, orders for employees will not be aggregated with orders for client accounts. However, managed accounts in which employees have an interest may be aggregated with orders for other accounts so long as the employee accounts are treated in the same manner as other accounts.

When the Overlay Manager has discretionary authorization to effect investment transactions in a managed account, the extent of and limitations on that authority are determined by agreement with the financial institution, acting on its client's behalf, or by agreement directly with the client. For example, conditions could be imposed which prohibit the purchase of specific industry groups or stocks for personal reasons or prohibit the purchase of stocks which would increase individual security or industry/economic sector holdings above a certain percentage. It is the Overlay Manager's policy to honor the limitations on authority that are agreed to, which necessarily vary from client to client based upon client objectives and other factors, but the Overlay Manager is not otherwise generally limited as to such authority. The Overlay Manager will rely on financial institutions to provide the Overlay Manager with any special instructions or limitations on authority that a financial institution client has given the financial institution in connection with the management of the client's funds.

A restriction imposed on a CGMI account (other than the investment management portfolios) is applied at the time of purchase to securities purchased by the Overlay Manager for the account and does not apply to securities transferred into the account, securities already held in the account at the time the restriction is imposed, securities that first come within a restriction following the Overlay Manager's purchase of such securities, and securities acquired as a result of corporate actions (e.g., stock splits, stock dividends). A client may direct the Overlay Manager to sell particular securities or types of securities held in the client's account by contacting his or her financial institution representative.

Types of Investments, Methods of Analysis, Sources of Information and Investment Strategies

As noted above, Overlay Manager purchases and sells securities on the basis of investment instructions furnished by investment managers to Overlay Manager for implementation. In addition, for balanced accounts and Multiple Discipline Accounts, Overlay Manager follows the instructions of the investment managers in determining the

extent of rebalancing among multiple investment styles. Subject to the foregoing, Overlay Manager's investment strategies may involve long-term or short-term trading, short sales, margin transactions and option writing, and generally may extend to: exchange-listed, over-the-counter and foreign securities and rights and warrants to acquire the same; corporate, municipal, foreign and U.S. government debt securities, including those guaranteed by such governments or issued by their agencies and instrumentalities and repurchase and reverse repurchase agreements including any of the foregoing; securities options; mortgage-backed or other asset-backed securities and structured notes; certificates of deposit; certain derivative instruments; commercial paper; bankers acceptances; and mutual fund shares. Not all of these strategies are appropriate for all clients, however, and only those strategies believed to be suitable will be used in any given client account or advisory program. It is anticipated that there may be a substantial degree of uniformity in client portfolios of the same investment style as a result of the common investment objectives of the clients who have selected that style.

Overlay Manager may also invest client assets in unaffiliated ETFs. These funds are unmanaged and typically represent U.S. securities markets, industry and market capitalization sectors, non-U.S. country and regional markets, and other types of non-U.S. securities markets and market sectors (e.g., emerging markets). To the extent an ETF represents securities of non-U.S. issuers, it will involve the additional non-U.S. investment risks. Investments in securities of non-U.S. companies involve certain risks in addition to those risks ordinarily associated with investing in securities of domestic issuers. These additional risks include the potentially negative effects of fluctuations in foreign currency exchange rates, future political and economic developments, foreign taxation and differences in auditing and other financial standards. In addition to the wrap or management fees charged at the account level, a client will bear a proportionate share of the fees and expenses incurred by any unaffiliated ETF in which a portion of such client's account is invested.

Overlay Manager's investment management services, other than implementation of investment manager investment instructions, generally rely on fundamental analysis with supplemental technical analysis which may include charting or cyclical review. Computer technology may be employed to more readily display these factors to portfolio managers. Information is derived from many sources, which may include: proprietary research; financial publications (including newspapers and magazines), industrial manuals and publications; company visits; inspections of corporate activities; direct contact with and press releases and other reports released by companies; annual reports, prospectuses and filings made with the SEC; research materials prepared by other firms; governmental reports; timing services; and corporate rating services.

Mutual Funds in Advisory Programs

Mutual funds typically offer different ways to allow clients to purchase mutual fund shares. Some mutual funds will only offer one share class for a particular fund while other mutual funds offer many types of shares classes. In addition to the more broadly known retail share classes (A, B, and C shares), mutual funds have developed additional types of specialized share classes designed for specific advisory programs. If available, clients will be converted into the share class that is required by the mutual fund company for that type of account. Depending on the circumstances, clients may be converted into a share class that has a lower or a higher operating expense.

Clients will authorize CGMI (without notice to client) to convert any open end mutual fund in an account to a share class of the same fund which is a load-waived or no-load share class, such as an Institutional ("I") share, Financial Intermediary ("FI") share, or advisory program share.

Clients will authorize CGMI, upon termination of the client account for any reason or the transfer of mutual fund shares out of the account into a CGMI retail account, to convert any I share(s), FI share(s) and/or advisory share(s) of any mutual fund to the corresponding mutual fund's primary or appropriate non-advisory share classes. The primary or appropriate non-advisory share class generally has higher operating expenses than the corresponding FI, I and advisory share classes, which may negatively impact investment performance.

Different Classes of Securities Risk Disclosure

Clients who invest in different parts of an issuer's capital structure may be treated differently, and their ability to recoup their initial investments will vary significantly, in the event of a bankruptcy or other special situation.

Clients of CGMI with differing investment objectives may, at one time, be invested in different parts of the capital structure of the same issuer. For instance, a client whose objective is income may be invested in a company's bonds while a client whose objective is capital appreciation may be invested in the same company's equity. Bondholders and shareholders represent two categories of a company's capital structure with potentially opposing interests.

Shareholders with unlimited upside on their equity investment in a company may want the company to undertake higher risks that can potentially benefit the equity owners, whereas the bondholders who are creditors of the company may want the company to minimize risks enough to pay the debt owed to the bondholders. As creditors of the company, bondholders receive priority over the company's assets if a company liquidates while the shareholders are the equity owners who receive last priority. Bondholders who hold debt securities may seek a liquidation of an issuer whereas shareholders those who hold equity securities may prefer a reorganization of the company.

CGMI may advise accounts that hold different parts of the capital structure of the same issuer. CGMI's actions with respect to one advisory account holding one class of securities may differ from its actions with respect to another account holding a different class of securities. As a consequence, CGMI's investment advice and investment decisions may differ from or conflict with respect to advisory accounts holding different classes of securities. Particular advisory accounts may be negatively affected by these decisions while other advisory accounts are positively affected. The negative effects described may be more pronounced in connection with transactions in, or advisory accounts utilizing, small capitalization, emerging market, distressed or less liquid strategies.

CGMI does not render legal advice to clients in connection with the bankruptcy or reorganization of an issuer.

Special Considerations Regarding Investments in Alternatives

As further described in the offering documents, an investment in alternative investments can be highly illiquid, is speculative and not suitable for all investors. Investing in alternative investments is intended only for experienced and sophisticated investors who are willing to bear the high economic risks of the investment. Investors should carefully review and consider potential risks before investing. Certain of these risks may include loss of all or a substantial portion of the investment due to leveraging, short-selling, or other speculative practices; lack of liquidity in that there may be no secondary market for the alternative investment and none expected to develop; volatility of returns; restrictions on transferring interests in the alternative investment; potential lack of diversification and resulting higher risk due to concentration of trading authority when a single adviser is used; absence of information regarding valuations and pricing; complex tax structures and delays in tax reporting; less regulation and higher fees than mutual funds; and advisor risk. Individual alternative investments will have specific risks related to their investment programs that will vary from investment to investment.

Depending upon the specific alternative investment, such as an alternative investment that is subject to a lock-up period, client may not be able to liquidate the investment. Prior to investing, clients should review the offering materials for such illiquid investments, in particular the terms of any restrictions on the premature termination or liquidation of client's investment.

B. Cost of CGMI Asset-Based Fee Programs and Services Relative to Non-Asset-Based Fee Alternatives; Relative Costs of CGMI Asset-Based Fee Program Alternatives

Clients who participate in the programs or retain the services described in this brochure and who pay asset-based fees for a variety of services may pay more or less for these services than if they purchased the services separately. Factors that bear upon the cost of CGMI asset-based fee programs in relation to the cost of the same services purchased separately include, among other things, the type and size of the account, the historical and expected size or number of trades for the account, and the number and range of supplementary advisory and client related services provided to the account.

Investment managers may offer to the public other investment products such as mutual funds with similar investment styles and holdings as those investments offered through the CGMI programs. The managers may offer these products with fees and charges that may be higher or lower than the fees imposed by CGMI under an advisory program. Clients should discuss all investment options with their CGMI adviser.

C. Additional Information Regarding Fees and Charges

In addition to the asset-based fees and fee-plus-commission fees specified above, clients of CGMI may pay additional fees or charges in connection with their accounts or certain securities transactions. These may include (but are not limited to): commissions and other charges for executing transactions (except in the case of asset-based-fee account trades executed through CGMI or Clearing Firm); interest on any debit balances; dealer mark-ups, mark-downs and spreads; auction fees; certain odd-lot differentials; exchange fees; transfer taxes; electronic fund and wire transfer fees; charges imposed by custodians other than CGMI or Clearing Firm; certain fees in connection with custodial, trustee and other services rendered by a CGMI affiliate; IRA accounts can be charged a termination fee of \$50, which may be amended from time to time; SEC fees on securities trades; any other charges mandated by law;

and certain fees in connection with the establishment, administration or termination of retirement or profit sharing plans or trust accounts. In addition, if CGMI is a member of the underwriting syndicate from which a security is purchased, CGMI will benefit from such purchase. Furthermore, there may be additional fees when trading in foreign securities and ADRs.

If an open or closed end mutual fund or an ETF is used as an account investment, the client will pay its pro rata share of the fund's investment advisory fees and other expenses to the fund manager or other service provider (which service provider may be affiliated with CGMI), such as distribution or servicing fees in addition to the account level fee.

For LMPP, the fees paid by the client will be offset by an estimate of the client's pro rata share of investment advisory fees, if any, to be paid to LMPPG and its affiliates for performing investment advisory services on behalf of a mutual fund (other than a money market fund) in which account assets are invested, except to the extent LMPPG and its affiliates will waive or forego, in whole or in part, such investment advisory fees. The fees paid by the client for LMPPG will not be offset by the client's pro rata share of administration fees, if any, paid to LMPPG and its affiliates for performing administrative services on behalf of a mutual fund or by other expenses of the fund.

Fees or commissions may be negotiable based upon a number of factors, including, but not limited to, the type and size of the account, the historical and/or expected size or number of trades for the account, and the number and range of supplemental advisory and client-related services to be provided to the account. Moreover, fee minimums and account minimums may vary as a result of the application of prior schedules depending upon the client account inception date. Some advisory programs permit counting the advisory accounts of members of the same household. Minimum account sizes also may be waived under certain circumstances. Performance-based fees may also be charged to eligible clients, are negotiable, and will be in compliance with any applicable provisions of Rule 205-3 under the Investment Advisers Act of 1940, as amended (the "Advisers Act"). From time to time, the fees for certain of the advisory services described herein may be reduced for employees of CGMI or its affiliates. For more information regarding the above, contact your CGMI adviser.

Additional assets received into an account during any billing period may be charged a pro-rata fee based on the number of days remaining in the billing period. No adjustments will be made to the fee for appreciation or depreciation in the market value of securities held in the account, or for partial withdrawals by client, during any billing period for which such fee is charged. In the event the investment advisory agreement is terminated by either party prior to the end of a billing period, a pro-rata refund of the fee will be made.

Generally, interest will be charged to a client's account should the account have a debit balance as a result of the client's activity. The "net equity" value of assets, calculated as total assets less debit balance, will be used for the purpose of calculating the advisory or consulting fee due to CGMI. When Clearing Firm has custody of the client's assets, it credits interest and dividends to the account. All client billing for fee-based programs will be based on the statement value including the accrued interest portion of fixed income securities.

In the asset-based fee programs described in this brochure, the investment manager is obligated to seek the best net results (price, research, and execution) for securities trades undertaken for each client. In seeking best execution for equity securities and other instruments traded in the "agency" markets (typically those executed through an exchange, to which orders are directed by a broker-dealer acting as agent for a client), such investment manager may direct orders to CGMI or Clearing Firm. In connection with these trades, client will not pay CGMI or Clearing Firm any commissions. Alternatively, the investment manager in its discretion may determine to direct agency trades to other broker-dealers that are unaffiliated with CGMI or Clearing Firm. In such instances the client will bear the cost of any commissions charged by the executing broker-dealer. These other broker-dealers may charge a commission for these trades, and may "step-out" the trades to CGMI or Clearing Firm for clearance and settlement. Investment managers in the asset-based fee programs described above are likely to execute a substantial percentage of such transactions for clients with CGMI or Clearing Firm.

The investment manager (including the investment managers in LMPP) may act as investment manager for other investment management programs ("Other Programs"). The investment manager may have arrangements with one or more broker-dealers that are not affiliated with the investment manager, CGMI or Clearing Firm (the "Step-Out Broker"), pursuant to which the investment manager may direct a block of trades (which block may include trades for a CGMI program described herein as well as for Other Programs) to the Step-Out Broker. In these arrangements, the Step-Out Broker may execute these blocks of trades at no commission, and "step-out" the program trades to CGMI or Clearing Firm for clearance and settlement. Similarly, the investment manager may

direct a block of trades (which block may include trades for a CGMI program described herein as well as for Other Programs) to CGMI or Clearing Firm for execution, in which event CGMI or Clearing Firm may execute these blocks of trades at no commission and “step-out” the Other Program trades to other broker-dealers for clearance and settlement. Although the Step-Out Broker, CGMI and Clearing Firm may execute these trades at no commission, they may obtain a benefit from executing the block trades, as a result of the increased trading volume attributable to these blocks.

The investment manager may place these block trades at or about the same time the investment manager (or any subadvisor responsible for the underlying investment decision) places block or other trades for the same securities on behalf of mutual funds, institutional separate accounts or other investment management clients of such investment manager or subadvisor, and that may result in a market impact for the securities traded. The investment manager will engage in these “step-out” transactions, but only where the investment manager has determined that doing so is consistent with its obligation to seek best execution for clients. Where the client has elected to pay CGMI on a fee plus commission basis at an agreed upon commission rate, the commission rate charged by CGMI to the client will generally be at the agreed upon rate, whether the trade is executed by CGMI or Clearing Firm or is executed by another broker-dealer and “stepped-out” to CGMI or Clearing Firm for clearance and settlement as described above. This is so whether the other broker-dealer executes the trade at no commission or charges the client a commission on the trade (in addition to the commission charged to the client by CGMI). The investment manager will not consider the agreed upon commission rate for fee plus commission accounts in determining whether execution is “best execution”.

Certain securities, such as over-the-counter (including NASDAQ-traded) stocks and fixed income securities, are primarily traded in “dealer” markets. In such markets, securities are directly purchased from or sold to a financial institution acting as a dealer or “principal.” Principal trades are executed on a “net” basis, with the net price paid or received by the client reflecting any trading profit retained or loss incurred by the dealer executing the transaction as well as any mark-up or mark-down over or under the reported execution price.

In the case of clients in LMPP that pay on a fee plus commission basis, the client pays the investment manager directly for its fee and pays CGMI for its services on the basis of transactions sent by the investment manager to CGMI or Clearing Firm for execution. The compensation earned by CGMI from such transactions is in lieu of a fee for its services. The client agrees to furnish the investment manager with a letter informing the investment manager of client’s compensation arrangement with CGMI and instructing the investment manager to use CGMI or Clearing Firm for executing transactions for client’s account so long as such use is not inconsistent with the investment manager’s obligation to seek best execution for its clients. The commissions charged by CGMI may exceed those that other broker-dealers may charge. Generally, the commission rates payable by a client are negotiated between the client and his or her CGMI adviser, except as specifically provided herein. A client may negotiate a commission rate that exceeds that rate paid by other clients and the rate that the client’s investment manager may be able to obtain from other broker-dealers. There is no minimum or maximum total amount of compensation CGMI and its CGMI advisers may receive from the investment manager’s decision to execute transactions for the account at CGMI or Clearing Firm. The investment manager’s decision to use CGMI or Clearing Firm to execute transactions for the client’s account may result in executions that may not be as favorable as otherwise would be the case, and the client may forego other benefits, such as the ability to participate in block trades. Less favorable execution or the inability to participate in block trades may result in poorer investment performance.

D. Compensation

CGMI advisers earn a salary and may earn a bonus. The amount of any bonus is based on a pre-determined scorecard that includes both financial and non-financial criteria. A portion of the fees and/or brokerage charges for the programs offered herein are paid to CGMI advisers or employees of CGMI affiliates who introduce accounts and provide other services. CGMI may make these payments for the duration of client accounts. The amount of the fees received by CGMI, CGMI advisers, and employees of CGMI affiliates may be greater, depending upon (among other factors) (i) whether the client participates in an asset-based fee program instead of paying separately for investment advice, brokerage and other services, (ii) whether the client’s portfolio is managed by an investment manager affiliated with CGMI rather than an unaffiliated investment manager and/or (iii) the asset-based fee program selected by the client. In addition, CGMI and its affiliates retain a larger portion of the fee when an affiliated investment manager is used, since no part of the fee is shared with an outside manager. Because of these factors, CGMI, CGMI advisers and employees of CGMI affiliates may have a financial incentive to recommend certain alternative methods of paying program fees and charges (such as asset-based fees) over another alternative

(such as fee plus commission), or one program (such as a CGMI program using a CGMI -affiliated investment manager) over another program (such as a CGMI program using an unaffiliated or third-party investment manager).

Block Trades May Benefit CGMI or its Affiliates

As explained in “Item 4.C—Additional Information Regarding Fees and Charges,” an investment manager may direct some block trades to CGMI or Clearing Firm for execution, which block may include trades for a CGMI program described herein as well as for Other Programs. Although CGMI and Clearing Firm executes these block trades at no commission, CGMI may obtain a benefit from executing these block trades, as a result of the increased trading volume attributable to these blocks.

ITEM 5. ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS

Detailed below are the general account minimums by program; account minimums may vary depending on certain investment managers, firms and investment styles; some programs permit counting the advisory accounts of members of the same household.

Fiduciary Services Program - \$500,000

Citi ETF Program - \$25,000 - not currently open to new clients.

Dynamic Allocation Portfolios – UMA Program - \$25,000

Citi Advisor Program - \$25,000

Consulting and Evaluation Services Program - \$1,000,000

Investment Management Services Program - \$1,000,000

Alternative Investments Program - \$100,000 - not currently open to new clients.

Fiduciary Asset Management Program - \$25,000,000 - not currently open to new clients.

Portfolio Manager Program and Portfolio Manager – Exchange Traded Funds Program – \$25,000 - not currently open to new clients.

Multi-Asset Class Solutions Non-Discretionary Investment Advisory Services Program - \$25,000,000 (minimum amount of assets subject to the Non-Discretionary IAS agreement)

Multi-Asset Class Solutions Discretionary Investment Advisory Services Program - \$25,000,000 (minimum amount of assets subject to the Discretionary IAS agreement)

Citi Managed Mutual Fund Program - \$10,000 - not currently open to new clients.

Legg Mason Private Portfolios Program - \$500,000 - not currently open to new clients.

Umbrella Portfolios Program - generally \$1,000,000 - not currently open to new clients.

Multi-Asset Class Solutions Umbrella Portfolios Program - generally \$250,000

CGMI advisers may have discretion to waive certain account minimums listed above. Portfolio manager minimums may vary at the discretion of the manager. CGMI may freeze accounts under certain circumstances, including in connection with regulatory requirements, as provided under the terms of the programs, and other special circumstances. Under appropriate circumstances, fees will continue to be charged on the frozen accounts.

Clients include individuals, multi-family offices, corporations, trusts, endowments, foundations, charitable organizations, pension and profit sharing plans, and other businesses.

Accounts of employee benefit plans and retirement plans, including IRAs, may be subject to restrictions, policies, and conditions that are different from those applicable to other accounts, and which may affect the types of investments available, the manner in which transactions are carried out, and the fees and expenses that may be charged. Consequently, such accounts may perform worse than they would have in the absence of such restrictions, policies, and conditions.

With respect to certain advisory programs, a similar program may be available outside the U.S. for eligible clients with different fees, minimums, and terms.

ITEM 6. PORTFOLIO MANAGER SELECTION AND EVALUATION

A. Research in Advisory Programs

CGMI and its affiliates (or a third party retained by CGMI or an affiliate) use(s) two methods -- CitiAccess List or CitiFocus List -- to evaluate investment managers, mutual funds, and other types of products (other than ETFs) in the advisory programs described herein. All such products are collectively referred to as "Program Investment Products." Each ETF in the advisory programs must be screened and determined to comply with the IPR Policy.

For certain advisory programs, CGMI and its affiliates have established the MARC to select a subset of Program Investment Products. The manner in which CitiAccess List, CitiFocus List and the MARC are utilized is described under each advisory program.

In general, "CitiFocus List" entails a more rigorous and thorough evaluation of a Program Investment Product than CitiAccess List and fewer investment options will qualify under the CitiFocus List standard than the CitiAccess List standard. Program Investment Products that meet the CitiFocus List standard may be described as being on the CitiFocus List. Program Investment Products that meet the CitiAccess List standard may be described as being on the CitiAccess List. It is important to note that not all Program Investment Products available in CGMI's advisory programs were approved or evaluated under CitiFocus List or CitiAccess List. The specific advisory programs that limit Program Investment Products only to those that have been approved through CitiFocus List or CitiAccess List are described herein or in the separate sales and disclosure materials related to those programs.

In general the IPR Policy is a Citigroup policy that describes the criteria for screening exchange traded products, including ETFs, that may be in the advisory programs described herein.

CitiFocus List

In the more in-depth "CitiFocus List" process, CGMI evaluates various qualitative and quantitative factors of each Program Investment Product. Relevant documentation on the Program Investment Product(s) being evaluated may include biographies of key investment personnel, the Program Investment Product(s) investment philosophy and process as well as sample portfolios for various time periods, asset allocation histories, its Form ADV (the adviser registration form), past performance information and marketing literature. For verification purposes, the review process may include a comparison of the Program Investment Product's reported performance with the performance of a cross-section of actual accounts as computed by Clearing Firm. CGMI personnel also may interview the investment manager and its key personnel and examine its operations. Program Investment Products are presented to the Global Investment Manager Research Committee for approval, and Program Investment Products that are approved under the CitiFocus List process may be described as being on CGMI's Focus List.

The appropriateness of the continued retention of a Program Investment Product as meeting the criteria for CitiFocus List is reviewed on a periodic basis. In conducting these reviews, CGMI considers a broad range of qualitative and quantitative factors including investment performance, staffing, operational issues and financial condition. Among other things, CGMI personnel interview each investment manager periodically to discuss these matters. For Program Investment Products with whom CGMI is familiar through repeated reviews, CGMI has increasingly emphasized quantitative analysis and interviews in other venues instead of in person meetings. In addition, CGMI may review the collective performance of a composite of the CGMI accounts being managed by a particular investment manager and compare this information to overall performance data quoted by the manager and investigate any material deviations.

CitiAccess List

The less comprehensive "CitiAccess List" process generally uses an approach that reviews various quantitative factors and ranks each investment option contained in a third-party database to evaluate various quantitative factors of Program Investment Products under consideration for CitiAccess List. The factors which may be considered in determining whether a particular investment option will be approved under CitiAccess List include personnel depth, turnover and experience; business and organization characteristics; and investment past performance. Not all Program Investment Products reviewed under CitiAccess List will use this rules-based approach. When a Program Investment Product is processed under this approach, analysts review the information contained in the output to gauge the completeness and consistency of the data and then follow-up with the Program Investment Product's manager or sponsor with additional information requests. The ultimate result of this effort is a conclusion by CGMI that the Program Investment Product either meets the CitiAccess List standard or does not. Program Investment

Products that are approved under the CitiAccess List process may be described as being on CGMI's Access List. Program Investment Products that meet the CitiAccess List standard also are reviewed periodically by CGMI to evaluate whether they continue to meet CGMI's standard to be listed as approved. However, data and information provided by Program Investment Products in connection with the review process are not independently verified by CGMI.

In light of the differing research methodology and standards under CitiFocus List and CitiAccess List, clients are periodically informed of a Program Investment Product's status under the CitiFocus List or CitiAccess List. CGMI may determine that a Program Investment Product no longer meets the criteria for CitiFocus List, or will no longer be reviewed under the criteria for CitiFocus List, but in either case does meet the criteria for CitiAccess List, in which case CGMI will generally notify the clients regarding such status changes on a quarterly basis. In addition, CGMI may determine that a Program Investment Product no longer meets the criteria under either research process and therefore in the future, the investment option will no longer be made available in CGMI's advisory programs (a "Downgrade") and the client will generally be notified of such Downgrade in advance. The manner of notification will vary depending on the CGMI advisory program. Clients will not be notified in advance of either the change in status or of a Downgrade if they participate in certain programs where CGMI retains investment discretion.

Investment Products Risk Procedures Regarding the Solicitation of Exchange Traded Products Policy

The IPR Policy is a Citigroup policy that describes the criteria for screening exchange traded products, including ETFs, that may be in the advisory programs described herein. The criteria for complying with the IPR Policy includes meeting certain standards which consider market value, lack of leverage, and the ETF provider's amount of assets under management and experience in managing ETFs. Certain ETFs that do not meet these criteria may be approved subject to certain procedures.

Watch Policy

CGMI has a "Watch" policy for covered Program Investment Products. This status indicates that, in the course of its review of a given Program Investment Product, CGMI has identified specific areas of the investment manager's business that (a) merit further evaluation by CGMI and (b) may, but are not certain to, result in a Downgrade in the future. Putting a Program Investment Product on Watch status does not signify an actual change in CGMI opinion nor is it a guarantee that a Downgrade will necessarily occur. The duration of a Watch status will vary according to the length of time necessary for CGMI to conduct its evaluation and for the Program Investment Product's firm to address any areas of concern identified by CGMI. For additional information, clients should ask their CGMI adviser for a copy of CGMI's Watch policy.

Portfolio Manager Performance

CGMI does not use any industry standards, such as GIPS, to calculate performance of investment managers. Investment managers calculate their own performance.

Review of Performance Information

Neither CGMI, its affiliates, nor any third party reviews investment manager or fund performance information to determine or verify its accuracy or its compliance with industry standards. However, CGMI (directly or through affiliates) periodically monitors the performance of investment managers included in the advisory programs in order to review for correlation to their published performance record (if applicable) and dispersion, if any, among client accounts managed in an advisory program.

Review of Portfolio Manager Performance

Although CGMI screens past performance, it does not audit this data to verify either its accuracy or that each investment adviser has calculated past performance in a manner that is consistent with industry standards or the methodology used by other investment advisers. Further, CGMI may make available for selection investment managers and funds that have no prior performance in particular styles. In such cases, CGMI screens these candidates for all other applicable criteria described above and may evaluate past performance achieved in other styles as a consideration for inclusion in the advisory programs.

B. Portfolio Manager for Wrap Fee Programs

In connection with Non-Discretionary IAS, CGMI may recommend, and a client may retain, an investment manager that is affiliated with CGMI to act as a portfolio manager with respect to a client account. In such an event, the client will enter into an investment advisory contract directly with the affiliated investment manager, which will set forth the terms and conditions (including, without limitation, any fees) relevant to the relationship. Similarly, in connection with Discretionary IAS, CGMI may retain an investment manager that is affiliated with CGMI to act as a portfolio manager with respect to a client account. As a general matter, to the extent the client (in the case of Non-Discretionary IAS) or CGMI (in the case of Discretionary IAS) retains an affiliated investment manager to act as a portfolio manager in connection with IAS, such affiliated investment manager will provide discretionary management services, often only with respect to a portion of the client's IAS account.

The amount of the fees received by CGMI and its affiliates may be greater, depending upon (among other factors) whether the client's portfolio is managed by an affiliated investment manager rather than an unaffiliated investment manager. In addition, CGMI and its affiliates retain a larger portion of the fee when an affiliated investment manager is used, since no part of the fee is shared with an outside manager. Because of these factors, CGMI may have a financial incentive to recommend an affiliated investment manager over an unaffiliated investment manager. Additionally, based purely on its status as an affiliate of the affiliated investment manager, CGMI may have an incentive to treat such affiliated investment manager more favorably than an unaffiliated investment manager, resulting in CGMI recommending the affiliated investment manager more frequently than an unaffiliated investment manager. CGMI addresses these conflicts through disclosure in this brochure, client agreements, or both.

Affiliated investment managers are not required to meet the same standards as unaffiliated investment managers (see "Item 6.A—Research in Advisory Programs"). Accordingly, affiliated investment managers will not be subject to any formal review process of any kind by CGMI, its affiliates, or a third party (including, without limitation, a review of an affiliated investment manager's investment performance, staffing, operational issues and financial condition).

C. Additional Information Related to Wrap Fee Programs

Advisory Business

CGMI and supervised persons of CGMI act as a portfolio manager in connection with the following wrap fee programs: FS, Citi ETF, DAP, FAM, PM, Citi MFP, Discretionary IAS, Umbrella Portfolios and MACS Umbrella Portfolios. Please see "Item 4.A.4—Types of Advisory Services Offered" for a full description of each of these advisory programs.

Performance-Based Fees and Side-By-Side Management

None of the FS, Citi ETF, DAP, FAM, PM, Citi MFP, Non-Discretionary IAS, Discretionary IAS, Umbrella Portfolios, and MACS Umbrella Portfolios programs charges a performance-based fee.

Methods of Analysis, Investment Strategies and Risk of Loss

Please see "Item 6.A—Research in Advisory Programs" for a description of the methods of analysis and investment strategies used in connection with FS, Citi ETF, DAP, FAM, PM, Citi MFP, Non-Discretionary IAS, Discretionary IAS, Umbrella Portfolios, and MACS Umbrella Portfolios.

Investing in securities and other financial instruments involves risks that may affect the value of the securities held in client accounts and result in losses to clients, including the potential loss of the principal amount invested. Potential risks include, among others, losses caused by adverse market conditions, market volatility, limited liquidity and other market action. Clients should be aware that neither CGMI nor any of its affiliates will be responsible for losses in value in client accounts, or for acting or failing to act with respect to client accounts, so long as CGMI acts in good faith.

Voting Client Securities

When investing in FAM, clients generally have the option to elect to have the investment manager vote proxies on the client's behalf. If a client elects this option, the investment manager will vote proxies related to all securities held in the managed account, including the discretionary assets invested by the investment manager held in the managed account.

When investing in Citi ETF, PM and Umbrella Portfolios, clients generally have the option to delegate all proxy voting rights to CGMI and authorize CGMI to further delegate all proxy voting rights to Institutional Shareholder Services (“ISS”) or another proxy voting service (the “Proxy Voting Service”) satisfactory to CGMI. If a client elects this option, CGMI or its designee, as applicable, will vote proxies related to all securities held in the managed account, including the discretionary assets invested by the CGMI adviser and/or investment manager held in the managed account.

When investing in DAP, clients generally have the option to elect to have the Overlay Manager vote proxies on the client’s behalf and instruct the Overlay Manager to follow the recommendations of the Proxy Voting Service. If a client elects this option, the Overlay Manager will vote proxies related to all securities held in the managed account, including the discretionary assets invested by the CGMI adviser and/or investment manager held in the managed account. If the Proxy Voting Service does not have a recommendation for any proxy vote, the client directs the Overlay Manager to vote all proxies in proportion to the votes of the other holders of the security for which the proxy vote is requested.

In providing the above services, the investment manager, CGMI, its designee or the Overlay Manager, as applicable, will vote proxies in accordance with applicable fiduciary obligations and proxy voting policies and procedures. These proxy voting policies and procedures (i) contain general guidelines that each party will follow to ensure that they vote proxies in a manner consistent with the best interests of clients and (ii) are designed to ensure that material conflicts of interest are avoided and/or resolved in a manner that is consistent with fiduciary obligations. A copy of the proxy voting policies and procedures is available from client’s CGMI adviser, upon request. A client may also obtain information regarding how CGMI, its designee or the Overlay Manager, as applicable, voted a specific proxy on behalf of a client’s account by submitting a written request to their CGMI adviser.

If a client no longer wishes to have the investment manager, CGMI, its designee or the Overlay Manager vote proxies for the assets in a managed account, the client may cancel the proxy waiver election immediately by contacting their CGMI adviser, in which case, the investment manager, CGMI, its designee or the Overlay Manager, as applicable, will no longer be in a position to vote proxies for any securities in the client’s managed account, including securities over which the investment manager or CGMI has investment discretion. In this case, all such proxies will be delivered directly to the client for consideration. If a client no longer wishes to have the investment manager, CGMI, its designee or the Overlay Manager vote proxies for the non-managed assets in the managed account, but would like the investment manager, CGMI, its designee or the Overlay Manager to continue voting the proxies for the discretionary assets in the managed account, the client should contact the CGMI adviser and arrange to transfer the non-managed assets to another non-managed account.

ITEM 7. CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

In connection with various advisory programs described herein (other than PM), CGMI or an affiliate may provide a client’s completed questionnaire and client information form to the investment manager selected to manage the account. Clients may update or change information at any time by contacting the client’s CGMI adviser. Any changed information will be transmitted promptly to the investment manager selected to manage the client’s account.

For PM, the PM portfolio manager collects similar information regarding the client and keeps current on material changes when notified by the client.

As part of IMS, the client will not necessarily be asked by CGMI to fill out an investment questionnaire or client information form, nor will a CGMI adviser periodically inquire into whether any changes in the client’s financial circumstances have occurred.

ITEM 8. CLIENT CONTACT WITH PORTFOLIO MANAGERS

There are no restrictions on a clients’ ability to contact and consult with their portfolio managers. However, as a general matter, the client usually contacts the banker or financial advisor to facilitate any discussions with the portfolio managers.

ITEM 9. ADDITIONAL INFORMATION

A.1 Disciplinary Information

Below are summaries of certain legal and disciplinary events that may be material to clients and prospective clients. Additional information about legal and disciplinary events is available in Item 11 of our Form ADV, Part 1A, available at www.adviserinfo.sec.gov.

SEC Administrative Proceeding Against Citigroup Global Markets Inc. and Smith Barney Fund Management LLC

On May 31, 2005, the SEC issued an order in connection with the settlement of an administrative proceeding against CGMI and Smith Barney Fund Management LLC (“SBFM”) relating to the appointment of an affiliated transfer agent for the Smith Barney family of mutual funds (the “Smith Barney Funds”). SBFM was an affiliate of CGMI during the relevant period.

The SEC order finds that SBFM and CGMI willfully violated Section 206(1) of the Advisers Act. Specifically, the order finds that SBFM and CGMI knowingly or recklessly failed to disclose to the Boards of the Smith Barney Funds in 1999 when proposing a new transfer agent arrangement with an affiliated transfer agent that: First Data Investors Service Group (“First Data”), the Smith Barney Funds’ then-existing transfer agent, had offered to continue as transfer agent and do the same work for substantially less money than before; and that Citigroup Asset management (“CAM”), the Citigroup business unit that includes the Smith Barney Funds’ investment manager and other investment advisory companies, had entered into a side letter with First Data under which CAM agreed to recommend the appointment of First Data as sub-transfer agent to the affiliated transfer agent in exchange, among other things, for a guarantee by First Data of specified amounts of asset management and investment banking fees to CAM and CGMI. The order also finds that SBFM and CGMI willfully violated Section 206(2) of the Advisers Act by virtue of the omissions discussed above and other misrepresentations and omissions in the material provided to the Smith Barney Fund’s Boards, including the failure to make clear that the affiliated transfer agent would earn a high profit for performing limited functions while First Data continued to perform almost all of the transfer agent functions, and the suggestion that the proposed arrangement was in the Smith Barney Funds’ best interest and that no viable alternatives existed. SBFM and CGMI do not admit or deny any wrongdoing or liability. The settlement does not establish wrongdoing or liability for purposes of any proceeding.

The SEC censured SBFM and CGMI and ordered them to cease and desist from violations of Section 206(1) and 206(2) of the Advisers Act. The order requires Citigroup to pay \$208.1 million, including \$109 million in disgorgement of profits, \$19.1 million in interest and a civil money penalty of \$80 million. Approximately \$24.4 million has already been paid to the Smith Barney Funds, primarily through fee waivers. The remaining \$183.7 million, including the penalty, has been paid to the U.S Treasury and will be distributed pursuant to a plan to be prepared by Citigroup and submitted within 90 days of the entry of the order for approval by the SEC. The order also requires that transfer agency fees received from the Smith Barney funds since December 1, 2004 less certain expenses be placed in escrow and provides that a portion of such fees may be subsequently distributed in accordance with the terms of the order.

The order requires SBFM to recommend a new transfer agent contract to the Smith Barney Fund Boards within 180 days of the entry of the order. If a Citigroup affiliate submits a proposal to serve as transfer agent or sub-transfer agent, an independent monitor must be engaged at the expenses of SBFM to recommend a new transfer agent contract to the Smith Barney Fund Boards within 180 days of the entry of the order. If a Citigroup affiliate submits a proposal to serve as transfer agent or sub-transfer agent, an independent monitor must be engaged at the expense of SBFM and CGMI to oversee a competitive bidding process. Under the order, Citigroup also must comply with an amended version of a vendor policy that Citigroup instituted in August 2004. The policy, as amended, among other things, requires that when requested by a Smith Barney Fund Board, CAM will retain at its own expense an independent consulting expert to advise and assist the Board on the selection of certain service providers affiliated with Citigroup.

Revenue Sharing and Sales of Mutual Fund Class B and C Shares

In March 2005, the SEC entered an administrative and cease-and-desist order against CGMI. The SEC order found that there were two disclosure failures by CGMI in the offer and sale of mutual fund shares to its customers. The first failure related to CGMI’s revenue sharing program, whereby CGMI received from advisers and distributors associated with about 75 mutual fund complexes revenue sharing payments, in exchange for which CGMI granted

mutual funds access to, or increased visibility in, CGMI's Smith Barney retail distribution network. The order found that CGMI did not adequately disclose its revenue sharing program to its customers but instead relied on the participating funds' prospectuses and statements of additional information to satisfy its disclosure obligations with regard to its revenue sharing program. As a result, the order found that CGMI willfully violated Section 17(a)(2) of the Securities Act of 1933 ("Securities Act") and Rule 10b-10 under the Securities Exchange Act of 1934 ("Exchange Act"). The second disclosure failure concerned CGMI's sales of Class B mutual fund shares in amounts aggregating \$50,000 or more. The order found that CGMI failed to disclose adequately at the point of sale, in connection with recommendations to customers to buy Class B shares, that such shares were subject to higher annual fees and that those fees could have a negative impact on customer investment returns, depending on the amount invested and intended holding period. As a result, the order found that CGMI willfully violated Section 17(a)(2) of the Securities Act. Based on these findings, the SEC order censured CGMI, required CGMI to cease and desist from committing or causing violations and future violations of Securities Act Section 17(a) and Exchange Act Rule 10b-10, and required CGMI to pay a \$20 million civil money penalty.

In March 2005, NASD Inc. ("NASD") censured and fined CGMI with respect to CGMI's offer and sale of Class B and Class C mutual fund shares during 2002 and the first six months of 2003. The NASD found that CGMI either had not adequately disclosed at the point of sale, or had not adequately considered in connection with its recommendations to customers to purchase Class B and Class C shares, the differences in share classes and that an equal investment in Class A shares generally would have been more advantageous for the customers. The NASD also found that CGMI's supervisory and compliance policies and procedures regarding Class B and Class C shares had not been reasonably designed to ensure that CGMI advisers consistently provided adequate disclosure of, or consideration to, the benefits of the various mutual fund share classes as they applied to individual customers. As a result, the NASD found that CGMI violated NASD Conduct Rules 2110, 2310 and 3010. Based on these findings, the NASD censured CGMI and required CGMI to pay a \$6.25 million fine.

Research and Initial Public Offerings

In 2003, Salomon Smith Barney Inc. ("SSB"), now known as Citigroup Global Markets Inc. settled civil and regulatory actions brought by the SEC, the New York Stock Exchange, Inc. ("NYSE"), the NASD, the Attorney General of the State of New York ("NYAG"), and state securities regulators, which alleged violations of certain federal and state securities laws and regulations and certain NASD and NYSE rules by SSB arising out of certain of its business practices concerning (1) sell-side research during the period 1999 through 2001, and (2) initial public offerings ("IPOs") during the period 1996 through 2000. The actions alleged, among other things, that SSB published certain fraudulent research reports, permitted inappropriate influence by investment bankers over research analysts and failed to adequately supervise the employees who engaged in those practices. It was also alleged that SSB engaged in improper "spinning" of shares to executives of investment banking clients and failed to maintain policies and procedures reasonably designed to prevent the potential misuse of material non-public information in certain circumstances.

Solely for the purpose of settling each proceeding, prior to hearing, without adjudication of any issues of law or fact, and without admitting or denying the facts or conclusions alleged in the respective regulators' documents, SSB consented to findings that SSB violated certain federal and state securities laws and regulations and certain NASD and NYSE rules, as described above, and agreed to the sanctions described below. In settling the various civil and regulatory actions, SSB consented to the imposition of censures by NASD and NYSE, the issuance of cease and desist orders in state proceedings prohibiting it from violating certain state laws and regulations, the entry of a final judgment enjoining SSB from violating certain provisions of the federal securities laws and certain self-regulatory organization rules, and ordering it to make a total payment of \$400 million. The final judgment also ordered SSB to comply with its undertakings to implement certain structural reforms relating to the operation of its research and investment banking departments. SSB also agreed to participate in a voluntary initiative pursuant to which it will no longer make allocations of securities in hot IPOs to accounts of executive officers or directors of a U.S. public company or a public company for which a U.S. market is the principal equity trading market.

Market-Timing

On July 13, 2007, NYSE Regulation, Inc. (the "NYSE") issued a Hearing Board Decision in connection with the settlement of an enforcement proceeding brought in conjunction with the New Jersey Bureau of Securities ("NJBS") against Citigroup Global Markets Inc. ("CGMI" or "the Firm"). The decision concerned the Firm's failure to supervise adequately certain branch offices and CGMI advisers who engaged in deceptive mutual fund market

timing on behalf of certain customers from January 2000 through September 2003. The decision notes that market timing occurred in the Firm's proprietary funds and in non-proprietary funds. Between 1998 and May 2000, the Firm made efforts to end market timing in its proprietary funds and its fee-based mutual fund trading programs. Market timing by CGMI advisers in proprietary funds ended by late 2001 or early 2002. Market timing in non-proprietary funds continued until September 2003. The decision noted three CGMI branches for the most serious conduct, and that six branches accounted for over 40% of all market-timing transactions. The NYSE also found that while the Firm had policies in place to address market timing, such policies were inadequate and inadequately enforced.

Without admitting or denying guilt, the Firm consented to a finding that it violated: NYSE Rule 342 by failing to reasonably supervise certain business activities and establish and maintain appropriate procedures for supervision and control with respect to trading of mutual funds and fund-like sub-accounts of variable annuities; NYSE Rules 401(a) and 476(a) by failing to prevent certain brokers from engaging in violative market timing of mutual funds, including use of deceptive practices related to market timing of funds; and Section 17(a) of Securities Exchange Act of 1934, Rules 17a-3 and 17a-4 thereunder, and NYSE Rule 440 by failing to make or preserve accurate books and records reflecting or relating to order communication and entry time for fund shares, rejection or cancellation of trades related to market timing, and orders or confirmations for transactions executed by Firm employees in variable annuity products sub-accounts held away from the Firm. The Firm consented to a penalty consisting of censure and a payment of \$50 million to be distributed as follows: (a) \$35 million to be placed in a distribution fund as disgorgement; (b) a penalty of \$10 million, half to be paid directly to NYSE Regulation and half to be paid directly to the distribution fund; and (c) a penalty of \$5 million to be paid to the State of New Jersey. The Firm also must appoint an Independent Distribution Consultant not unacceptable to the NYSE who will develop a distribution plan for the disgorgement amount, which, to the extent feasible, will go first to Firm customers who during the period January 2000 through September 2003 invested long-term in funds that were the subject of the market timing, with any funds not distributed to be returned to NYSE Regulation.

Auction Rate Securities Settlements

On December 11, 2008, the SEC filed a civil action in the federal district court for the Southern District of New York (the "Court"). The Judgment, which was entered on December 23, 2008: (i) permanently enjoined CGMI from directly or indirectly violating Section 15(c) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"); (ii) provides that, upon later motion of the SEC, the Court will determine whether it is appropriate to order that CGMI pay a civil penalty pursuant to Section 21(d)(3) of the Exchange Act, and if so, the amount of the civil penalty; and (iii) ordered that CGMI's Consent be incorporated into the Judgment and that CGMI comply with all of the undertakings and agreements set forth in the Consent, which include an offer to buy back at par certain ARS from certain customers. The SEC's Complaint alleged that: (1) CGMI misled tens of thousands of its customers regarding the fundamental nature of and risks associated with ARS that CGMI underwrote, marketed, and sold; (2) through its financial advisers, sales personnel, and marketing materials, CGMI misrepresented to customers that ARS were safe, highly liquid investments comparable to money market instruments; (3) as a result, numerous CGMI customers invested in ARS funds they needed to have available on a short-term basis; (4) in mid-February 2008, CGMI decided to stop supporting the auctions; and (5) as a result of the failed auctions, tens of thousands of CGMI customers held approximately \$45 billion of illiquid ARS, instead of the liquid short-term investments CGMI had represented ARS to be. CGMI reached substantially similar settlements with the New York Attorney General (the "NYAG") and the Texas State Securities Board (the "TSSB"), although those settlements were administrative in nature and neither involved the filing of a civil action in state court. The settlements with the NYAG and the TSSB differed somewhat from the settlement with the SEC in that the state settlements: (1) made findings that CGMI failed to preserve certain recordings of telephone calls involving the ARS trading desk; and (2) require CGMI to refund certain underwriting fees to certain municipal issuers. As part of the settlement with New York, CGMI paid a civil penalty of \$50 million. CGMI also has agreed in principle to pay to states other than New York with which it enters into formal settlements a total of \$50 million, including \$3.59 million to Texas as part of the settlement with that state.

On Wednesday June 30, 2010, the SEC announced that CGMI, along with two other broker-dealers, had fulfilled their obligations under the 2008 ARS settlement, which required firms to, among other things, make "best efforts" to provide liquidity solutions for institutional clients who were not eligible for redemption, compensate investors who sold ARS below par, and reimburse investors for excess interest costs associated with loans taken out due to ARS illiquidity. To ensure compliance with the settlement, the firms were subject to a potential deferred penalty if the

firms did not meet their settlement obligations. The SEC determined that based on the firms' compliance with their respective settlements, as well as other factors, no penalties would be pursued.

CGMI has executed settlements with, and made payments to, all of the eligible states/territories.

New York Stock Exchange LLC (NYSE) Hearing Board Decision Related to Prospectus and Other Delivery Failure

On October 2, 2007, without admitting or denying the allegations, CGMI consented to a censure, a fine of \$2,500,000 and an undertaking in connection with certain alleged violations. Specifically, the consent alleged violations of NYSE Rule 401(A) due to the failure to ensure delivery of prospectuses in connection with certain sales of registered securities during the time period July 1, 2003 through October 31, 2004 (the "Relevant Period"); alleged violation of NYSE Rule 1100(b) due to CGMI's failure to deliver product descriptions to certain customers that purchased Exchange Traded Funds (ETFs) during the Relevant Period; alleged violation of Rule 10b-10 of the Securities Exchange Act of 1934 due to CGMI's failure to provide customers with confirmations for certain securities transactions during the Relevant Period; and alleged violations by CGMI of NYSE Rule 342 by failing to provide for, establish and maintain appropriate procedures of supervision and control relating to the delivery of product descriptions and prospectuses and trade confirmations.

During the Relevant Period, the Firm allegedly failed to have appropriate policies and procedures relating to the delivery of offering documents to customers that purchased certain securities. The failure to have these policies and procedures caused CGMI to experience numerous systemic deficiencies relating to the delivery of offering documents to customers that purchased certain securities. In particular, during the Relevant Period, the Firm failed to deliver product descriptions (or any other disclosure document, such as a prospectus) to certain customers who purchased ETFs in violation of NYSE rules. In addition, during the Relevant Period, the Firm failed to deliver prospectuses to certain customers who purchased equity and debt securities and mutual funds in violation of NYSE rules and federal securities laws. Furthermore, CGMI failed to send numerous trade confirmations to certain customers that purchased securities in violation of federal securities laws and NYSE rules.

NASD Inc. (NASD) Consent Related to Alleged Use of Misleading Materials in Retirement Seminars

On June 6, 2007, without an adjudication of any issue of law or fact, and without admitting or denying the findings, CGMI consented to a \$3 million fine to settle charges relating to the alleged use of misleading materials in retirement seminars and meetings for BellSouth employees in North Carolina and South Carolina. Specifically, the NASD found that CGMI allegedly failed to adequately supervise a team of brokers based in Charlotte, NC, who used misleading sales materials during seminars and meetings of employees of BellSouth Corporation.

Financial Industry Regulatory Authority, Inc. ("FINRA"), Direct Borrow

On April 6, 2010, CGMI finalized a settlement agreement with FINRA in which it consented to a \$650,000 fine, without admitting or denying the findings, in connection with the operation of its Direct Borrow Program. CGMI allegedly failed to adequately disclose certain material facts to customers, establish and maintain a supervisory system reasonably designed to achieve compliance with applicable laws and regulations, and distributed marketing materials that were not fair and balanced.

SEC Investigation, Hedge Fund Marketing and Accounting Treatment

ASTA/MAT and Falcon were hedge funds managed and marketed by Citigroup that performed well for many years but suffered substantial losses during the credit crisis. The SEC is investigating the marketing, management and accounting treatment of the Falcon and ASTA/MAT funds. Citigroup is cooperating fully with the SEC's inquiry.

In addition, numerous investors in Falcon and ASTA/MAT have filed lawsuits or arbitrations against Citigroup and its affiliates including, in certain cases, the funds themselves seeking recoupment of their alleged losses. Many of those investor disputes have been resolved, and the remainder are in various procedural stages.

SEC Claim Related to Collateralized Debt Obligation

On October 19, 2011, the SEC brought a civil action in the U.S. District Court for the Southern District of New York ("Court") against Citigroup Global Markets Inc. ("CGMI") in connection with the role of CGMI, along with certain of its affiliates (together "Citi") in the structuring and marketing of a largely synthetic collateralized debt obligation ("CDO") whose investment portfolio consisted primarily of credit default swaps referencing other CDO

securities with collateral consisting primarily of residential mortgage-backed securities. The complaint alleged that the marketing materials for the CDO were materially misleading because they suggested that Citi was acting in the traditional role of an arranging bank, when in fact Citi had allegedly exercised influence over the selection of the assets and had retained a proprietary short position of the assets it had helped select, which gave Citi allegedly undisclosed economic interests adverse to those of the investors in the CDO. On October 14, 2011, the SEC and CGMI entered into a consent agreement settling this action. The consent agreement required the issuance of an injunction against CGMI from violating Sections 17(a)(2) and (3) of the Securities Act; imposition of liability on CGMI for payment of disgorgement of \$160 million with prejudgment interest thereon in the amount of \$30 million, and a civil penalty in the amount of \$95 million; and CGMI's compliance with certain undertakings. After a lengthy series of court proceedings, the District Court entered the final judgment on August 5, 2014.

FINRA Settlement Related to Municipal Securities Transactions

On November 7, 2011, without admitting or denying the allegations, CGMI consented to a fine of \$75,000, a censure, and a certain undertaking with FINRA in connection with municipal securities transactions. FINRA alleged that CGMI failed to establish and maintain a supervisory system and to adopt, maintain, and enforce written supervisory procedures reasonably designed to achieve compliance with the disclosure requirements for municipal securities transactions in violation of Municipal Securities Regulation Board Rule G-27.

FINRA Settlement Related to Email Retention

On December 2, 2011, CGMI entered into a settlement with FINRA relating to failure to retain emails during an upgrade of its email archiving system. CGMI consented to a censure and a monetary fine of \$750,000 without admitting or denying the findings. FINRA alleged that during the period from October 21, 2008 to December 26, 2009, CGMI failed (i) to retain millions of emails, including emails not retained that potentially impacted its ability to respond to email requests in FINRA investigations and other matters; and (ii) to establish and maintain appropriate systems and procedures reasonably designed to achieve compliance with the applicable recordkeeping rules and detect and remedy deficiencies in its email retention systems.

FINRA Inquiry Into to Research Disclosures

On January 18, 2012, CGMI resolved a FINRA inquiry into CGMI research disclosures. Without admitting or denying the findings contained therein, CGMI consented to a censure and a monetary fine of \$725,000. Specifically, FINRA alleged that: (a) during at least January 2007 through March 2010, largely as the result of programming and technical errors and deficiencies, CGMI failed to make required disclosures in its research reports and in connection with research analysts' public appearances; (b) CGMI had inadequate systems to determine that its disclosure management system contained all accurate and current information, including information from third-party and internal sources, necessary to formulate required disclosures; (c) CGMI's supervisory system was not reasonably designed to detect that the firm was not populating its research reports with required disclosures; and (d) CGMI was not complying with certain undertakings pursuant to an earlier NASD settlement in 2006.

FINRA Settlement Related to Non-Traditional ETFs

On May 1, 2012, CGMI entered into a settlement with FINRA regarding the sale of leveraged, inverse, and inverse-leveraged exchange-traded funds ("Non-Traditional ETFs"). FINRA alleged that, during January 2008 through June of 2009, (i) CGMI failed to establish and maintain a reasonable supervisory system, including written procedures, in connection with the sale of Non-Traditional ETFs and to provide adequate formal training and guidance to its registered representatives and supervisors regarding Non-Traditional ETFs; and (ii) certain registered representatives made unsuitable recommendations of Non-Traditional ETFs to certain customers with a conservative investment objective or risk file. Without an adjudication of any issues of law or fact and without admitting or denying the findings, CGMI consented to a censure, a fine of \$2 million, and a restitution of \$146,431.

FINRA Settlement Related to Inaccurate Performance Data

On May 22, 2012, CGMI entered into a settlement with FINRA relating to CGMI's role in the provision of performance data related to mortgage securitizations. FINRA alleged that from January 2006 through October 2007, CGMI posted inaccurate performance data and static pool information to the Reg AB website of Citigroup Inc. (an indirect 100% owner of CGMI) in connection with numerous securitizations, and CGMI failed to establish and maintain effective supervisory and operational policies and procedures regarding these issues. FINRA further

alleged that inaccurate data remained on the Citigroup Reg AB website through May 2012. In addition, FINRA alleged that during July through September 2007, CGMI failed (a) to establish and maintain sufficient supervisory policies and procedures addressing independent price verification of Level 3 collateralized debt obligation securities, and to document price verification for such securities; (b) to include certain securities for which no price change had occurred over several days on an internal “stale price report”; (c) to supervise and sufficiently document certain repricings of securities held on margin that led to revised margin calls; and (d) to supervise and sufficiently document the application of “margin haircuts” to collateral outside of haircut ranges reflected in CGMI’s guidance. CGMI, without admitting or denying the findings, consented to a censure and a fine in the amount of \$3,500,000.

Massachusetts Settlement Related to Research (2012)

On October 26, 2012, CGMI entered into a settlement with the Commonwealth of Massachusetts Securities Division (“MSD”). As part of that settlement, CGMI consented to an order (the “2012 Consent Order”), with allegations and findings that it neither admitted nor denied, that it violated Massachusetts laws by failing to: (i) prevent or detect the written disclosure of material, non-public research information in a restricted period prior to the Facebook initial public offering; (ii) detect prohibited research analyst disclosures via emails; and (iii) prevent or detect written disclosure of material non-public research. As part of the order, CGMI agreed to permanently cease and desist from violating the laws of the State of Massachusetts, be censured by the MSD, pay a civil penalty in the amount of \$2,000,000, and perform undertakings involving the review written supervisory policies and procedures related to Citigroup Investment Research (“CIR”) electronic surveillance program and enhance training provided to certain CIR personnel.

Massachusetts Settlement Related to Research (2013)

On October 2, 2013, CGMI entered into a settlement with the MSD. As part of that settlement, CGMI consented to an order where it admitted to the MSD’s statement of facts in the order and neither admitted nor denied the allegations or the conclusions of law. The MSD alleged that CGMI violated Massachusetts laws, FINRA rules, and its own policies and procedures, as well as the 2012 Consent Order with the MSD, by failing to prevent or detect the written dissemination by one research analyst employed by Citigroup Global Markets Taiwan Securities Co Ltd. of confidential, non-public research information. As part of the order, CGMI agreed to permanently cease and desist from violating the laws of the State of Massachusetts, be censured by the MSD, pay a civil penalty in the amount of \$30,000,000, and perform undertakings involving the review of written policies and procedures related to the CGMI research department and provide education and training for CGMI research analysts who publish equities research.

FINRA Claims Related to Research and Investment Banking.

On November 20, 2014, CGMI entered into a settlement with FINRA. FINRA alleged that CGMI, during certain periods from 2010 through 2013, failed to supervise communication between its equity research analysts and clients, including to adequately supervise “idea dinners” hosted or attended by equity research analysts; to prevent disclosure of nonpublic research information in December 2012 by individuals employed by Citigroup Global Markets Taiwan Securities Co Ltd.; to adequately enforce its policies concerning communications by equity research analysts; and to have written supervisory procedures reasonably designed to ensure that its equity research analysts did not participate in investment banking road show presentations, and that an equity research analyst indirectly participated in investment banking road show presentations for two companies. Without admitting or denying the allegations, CGMI consented to a censure, a fine in the amount of \$15,000,000 and an undertaking to conduct a comprehensive review of the adequacy and implementation of its policies, procedures, and training.

FINRA and NYSE Claims Related to Prospectus Delivery.

On December 11, 2014, CGMI entered into a settlement with both FINRA and NYSE. FINRA and NYSE alleged that, from 2009 through April 2011, CGMI failed to deliver prospectuses to customers in connection with sales of certain exchange traded funds (“ETFs”); failed to design and implement an adequate supervisory system to achieve compliance with the securities laws, regulations, and rules governing ETF prospectus delivery; and failed to establish, maintain, and enforce supervisory control policies and procedures that tested and verified that its ETF prospectus delivery procedures were in compliance with applicable laws, regulations, and rules. Without admitting or denying the allegations, CGMI consented to a censure and a fine in the amount of \$3,000,000 (paid jointly to FINRA and NYSE).

A.2. Other Financial Industry Activities and Affiliations

Registrations

CGMI is registered as a securities broker-dealer, a futures commission merchant, and a municipal advisor. Affiliates of CGMI are registered as commodity pool operators and/or commodity trading advisers. CGMI is a member of all principal securities and commodities exchanges in the United States and the Financial Industry Regulatory Authority, formerly known as National Association of Securities Dealers, Inc. In addition, it holds memberships or associate memberships on several principal foreign securities and commodities exchanges.

Material Relationships or Arrangements With Certain Related Persons.

CGMI has arrangements that are material to its advisory business or its clients with a related person who is a broker-dealer, investment company, other investment adviser and a banking or thrift institution.

As a registered broker-dealer, CGMI regularly advises clients with regard to and executes transactions in a wide variety of securities and other investments. It and its affiliates also act in a partnership capacity in a number of limited partnerships in which its clients may invest. As a futures commission merchant, CGMI also provides advice on commodities and commodity related products.

CGMI provides a wide range of research services to its clients, including reports, analyses, charts, and graphs relating to various facets of the investment spectrum in equity and fixed income products. Research services generally are provided to clients on the assumption that the services generate commission or other business for CGMI. However, certain research services may be provided on a hard-dollar, fixed-fee basis and/or, in the case of firms that may re-sell such services, on a hard-dollar, royalty-fee basis. The size of any hard-dollar fee generally is negotiable.

Through its divisions, CGMI offers a wide variety of investment advisory services and programs. CGMI's investment advisory services are available to individuals; banks or thrift institutions; retirement plans such as pension and profit sharing plans; investment companies; trusts; estates; charitable organizations; corporations or other business entities as well as governmental entities. The investment advisor affiliates of CGMI include: Citi Private Advisory, LLC; Citibank (Switzerland) A.G.; Citibank Canada Investment Funds Limited; Citigroup Alternative Investments LLC; Citigroup Global Markets Singapore Pte Ltd.; Citigroup Venture Capital International Asia Limited; Cititrust (Bahamas) Ltd.; Cititrust (Cayman) Ltd.; Cititrust (Jersey) Ltd.; Consulting Group Advisory Services LLC; EMSO Partners HK Limited; EMSO Partners Limited; and ZAO Citibank. Additional information on affiliates of CGMI are available on Item 7.A of our Form ADV, Part 1A, available at www.adviserinfo.sec.gov. CGMI and its affiliates provide a variety of services for various clients, including issuers of securities that CGMI may recommend for purchase or sale by clients. CGMI performs a wide range of investment banking services for various clients, and it is likely that CGMI client holdings will include the securities of issuers for whom CGMI performs investment banking services. CGMI client portfolios may include securities in which CGMI makes a market or in which CGMI, its officers or employees have positions. CGMI and its affiliates receive compensation and fees in connection with the provision of the foregoing services. As part of an overall internal compliance program, CGMI has adopted policies and procedures imposing certain conditions and restrictions on transactions for CGMI's own account or the accounts of its employees. Such policies and procedures are designed to prevent, among other things, any improper or abusive conduct when potential conflicts of interest may exist for a customer or client.

In addition, Citibank, an affiliate of CGMI, serves as a qualified custodian in certain advisory programs described herein. In serving as a qualified custodian, Citibank may utilize certain back office services of Securities and Fund Services, a business affiliated with CGMI. Please see "Item 4.A.3—Clearing and Custody Services" for more information on custody.

Compensation from Investment Managers

CGMI and its affiliates have trading, investment banking, prime brokerage and other business relationships with investment managers. These investment managers may include the investment adviser(s) for one of the investment advisory programs recommended to clients by CGMI advisers. In addition, some CGMI advisers may receive financial benefits from investment managers in the form of compensation for trade executions for the accounts of investment managers or their clients, or through their referrals of brokerage or investment advisory accounts to CGMI advisers.

In determining an investment manager's eligibility for its investment advisory programs, CGMI does not consider the extent to which an investment manager directs or is expected to direct trades to CGMI for execution, including whether such investment manager is a prime brokerage client of CGMI or its affiliates. Such direction is left to the discretion of the investment manager retained by the client or by CGMI on client's behalf, which, absent client direction to the contrary, is obligated at all times to seek best execution. Nonetheless, investment managers retained by clients or by CGMI on client's behalf may perceive a potential conflict of interest between their obligations to seek best execution and their interest in receiving client referrals pursuant to the investment advisory programs. For a client who chooses the commission-based option in the those advisory programs in which it is available, CGMI and its CGMI advisers could have a financial incentive to recommend an investment manager that trades actively thereby receiving more income from commissions.

Advisory Account Lending

The Lending Program Generally.

Clients who have an advisory account with CGMI may borrow funds from Citibank. To secure the repayment of the loan and payment of the interest due on the amount borrowed, Citibank will treat assets in the advisory account as collateral to support the loan (the "Lending Program"). Clients may use borrowed funds as they see fit, including to fund investments in their advisory accounts. Clients are responsible to repay all funds they borrow from Citibank. If there is a debit in a client's account after a margin call or the sale of assets, the client is responsible to cover the shortfall.

Risks of Participating in the Lending Program and Conflicts of Interest.

Participation in the Lending Program carries significant risks and presents potential and actual conflicts of interest for CGMI and Citibank. The decision to use leverage in a client account rests with the client and should be made only if the client understand the risks of margin borrowing, the impact of the use of borrowed funds on an account, and how the use of margin may affect the client's ability to achieve the client's investment objectives.

- **Borrowing to Invest Increases Risk of Loss.** Positive or negative performance of a leveraged account, net of interest charges and other account fees, will be enhanced by virtue of using borrowed money. Gains or losses in a leveraged account relative to the net value of the account will be greater than would be the case with an unleveraged account. As a result, borrowing money to invest creates a greater degree of risk of loss than investments in an unleveraged account.
- **Returns May Be Insufficient to Cover the Cost of Borrowing.** Participation in the Lending Program may result in losses to the client if the client invests the proceeds in the advisory account and the revenue or returns from the advisory account are not sufficient to cover the interest Citibank charges on the amount the client borrowed.
- **Suitable Investments for Borrowed Funds Generally May Be Riskier.** CGMI has a responsibility to select investments to secure sufficient revenue or returns to cover interest payments on Citibank's loans. The obligation to recommend investments to generate returns sufficient to cover the cost of borrowing may cause CGMI to recommend investments for a leveraged account with a greater potential for higher returns, and a corresponding higher potential for volatility and risk of loss, than would be the case in an unleveraged account.
- **Performance Reports or Account Statements Will Not Show the Effect of Leverage.** Reports or account statements showing investment performance of any advisory account will not reflect the cost or effect of leverage on the performance of any investment funded with borrowed money from Citibank or from any third party. The use of leverage to conduct investment activity increases client's exposure to risk. Using leverage increases volatility and therefore small movements in notional value may materially impair the value of the investment. Further, the cost of leverage will reduce income and gains on investments funded with loan proceeds.
- **CGMI and its Personnel Have a Financial Incentive to Recommend Participation in the Lending Program.** Participation in the Lending Program benefits CGMI and/or its employees. Since CGMI receives advisory fees based on the level of assets in an account, CGMI may receive higher fees from clients that increase the size of their account through participation in the Lending Program. Citibank also collects interest from clients who participate in the Lending Program. Since participation in the Lending Program will result in

interest payments to an affiliate and/or increased advisory fees to CGMI, CGMI and/or its employees have a financial incentive to recommend that advisory clients participate in the Lending Program and invest those borrowed amounts in the advisory account (thus incurring the risks described in this document).

- CGMI Will Put Its Affiliate's Interest as a Creditor First. As client's investment adviser, CGMI is required to put client's interests ahead of the interests of CGMI and its employees. If client participates in the Lending Program, however, Citibank will have a proprietary interest in the client's advisory account assets as a result of the pledging of the assets for the loan and interest due, and will be the client's creditor. As an affiliate of the client's creditor, CGMI will act in the best interests of its affiliate and in its sole and absolute discretion, which may be adverse to the client's interests.
- Clients May Be Required to Deposit Additional Amounts in Client Accounts to Cover Losses. If the assets in a client's advisory account lose value, the value of the collateral supporting the client's loan and interest payments also decreases. If this happens, Citibank will ask the client to meet collateral obligations (a "margin call"). To maintain adequate collateral, the client may need to deposit additional assets into the advisory account. If the client is unable or unwilling to deposit additional amounts, Citibank may sell or assign assets in the client's advisory account to repay the loan.
- The Margin Call Process May Inflict Substantial Harm to Client's Account. During the margin call process, CGMI and/or Citibank will act in its/their sole discretion to protect its/their interests and may act in a manner that is not in the client's best interests. CGMI and/or Citibank may sell assets in the client's account without notifying the client, and the client's consent is not required for CGMI and/or Citibank to sell assets. CGMI and/or Citibank may decide, in its/their sole discretion, which assets to sell and the timing and venue of the sales. In these circumstances, securities often are sold into a market that is declining, so the prices obtained for the securities may be less than favorable and losses will be realized.
- CGMI Will Not Act as Investment Adviser to the Client With Respect to the Liquidation of Securities Held in an Account to Meet a Margin Call. As a result of margin sales, clients may be left with an account that has more concentrated positions, including in illiquid securities, than would be the case if CGMI were managing the sales of securities to protect the interests of the client rather than its Citibank's interests as lender. The resulting account investments may not be suitable for the client or otherwise meet the requirements for participation in the advisory program, and the account may be terminated from the advisory program as a result. Citibank may, at any time and without notice, increase margin requirements for the Lending Program or change terms of the Lending Program.

Clients will receive a separate margin disclosure document, which they should read carefully and retain for future reference.

B.1 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

Employees and certain other persons who perform services that support the investment advisory business of CGMI are bound by the CGMI Investment Advisor Code of Ethics ("Code of Ethics"), adopted in accordance with Rule 204A-1 of the Investment Advisers Act of 1940.

The Code of Ethics describes the standards of business conduct for CGMI's investment advisory business, including the fiduciary obligations owed to the clients and the obligation to comply with applicable laws. The Code of Ethics incorporates and is supplemented by other Citi policies and procedures, including policies and procedures designed to protect the flow of material non-public information and the confidentiality of client information and those imposing personal trading and investment restrictions, maintenance of personal securities trading accounts at CGMI, and reporting of personal securities holdings and transactions. The purposes of the Codes of Ethics and the related policies and procedures include minimizing potential conflicts of interests between employees and investment advisory clients and assuring compliance with applicable laws and regulations. Each person covered under the Code of Ethics receives a copy of the Code of Ethics upon being designated as a covered person and annually thereafter. They must sign an attestation that indicates that they have read and understand such Code of Ethics. In conjunction with this attestation, all covered persons are required to report any violation or potential violation of which they might become aware.

A copy of CGMI's Code of Ethics will be provided to any client or prospective client who mails a written request to:

Citigroup Global Markets Inc.
750 Washington Boulevard
Stamford, CT USA 06901
Attention: Dana L. Platt, Chief Compliance Officer – Investment Advisory Businesses

Participation and Interest in Client Transactions

CGMI and its affiliates may recommend securities in which they directly or indirectly have a financial interest and may buy and sell securities that are recommended to clients for purchase and sale. They also may provide advice and take action in the performance of their duties to clients which differs from advice given, or the timing and nature of action taken, for other clients' accounts. Moreover, CGMI or any of its affiliates may advise or take action for itself or themselves differently than for clients. In addition, CGMI, its affiliates, and employees, including CGMI advisers, may invest with any investment manager.

From time to time, CGMI imposes restrictions to address the potential for self-dealing by CGMI and conflicts of interest that may arise in connection with CGMI's broker-dealer and investment banking businesses. CGMI has adopted various procedures to guard against insider trading that include an "Information Barrier" procedure, pursuant to which information known within one area of CGMI (e.g., investment banking) may not be distributed to other areas (e.g., investment advisory), and use of a restricted list and various other monitoring lists. These investment banking or other activities may from time to time compel CGMI, Overlay Manager or their affiliates to forgo trading in the securities of companies with which these relationships exist. This may adversely impact the investment performance of a client's account.

Principal Transactions

CGMI does not generally act as principal in executing trades for clients for which an investment manager affiliated with CGMI provides the client with portfolio management services (i.e., determines which securities are to be bought and sold for the client) or in FS or PM (although CGMI may do so in rare cases if certain regulatory conditions are met, including, among other things, obtaining client consent prior to completion of the trade). If CGMI receives trade orders for securities traded in the dealer markets for such clients, it normally executes those orders as agent through a dealer unaffiliated with CGMI. CGMI receives no commissions or other compensation in connection with such trades, although the client bears the cost (including any mark-up or mark-down) imposed by the unaffiliated dealer.

CGMI may execute trades as principal in orders received from investment managers unaffiliated with CGMI that provide portfolio management services to clients in CES and IMS. This will result in CGMI realizing customary dealer profits or losses on the trades. Any profit or loss on principal trades would be separate from or additional to, and would not reduce or otherwise offset, compensation received by CGMI in its capacity as sponsor of CES and IMS. Investment managers in these programs also may direct principal trades to dealers unaffiliated with CGMI. When this is done, the dealer to which the trade is directed (not CGMI) will realize a dealer profit or loss on each trade and may also charge a mark-up or mark-down. CGMI deals with this conflict by providing appropriate disclosure to clients.

Outside of the asset-based fee programs described in this brochure, the price paid or proceeds received by CGMI clients in connection with principal trades executed by CGMI typically includes a mark-up or mark-down that is included in the net price of the trade, which is used to compensate the CGMI adviser. Any principal trade executed for CES or IMS clients will not include any such mark-up or mark-down; instead, CGMI advisers are compensated only out of the client's asset-based fee.

Potential Conflicts of Interest Pertaining to Compensation and Benefits to CGMI and Citigroup from Bank Deposit Program and Money Market Funds

For non-retirement accounts, a client may elect that cash balances in the account be automatically invested or "swept" into either a Bank Deposit Program ("BDP") account or an eligible money market sweep fund (each, a "Sweep Fund"). If a client elects BDP, the client authorizes without any further direction that all cash balances in the account in excess of \$.01 be automatically deposited or swept every business day into an account at one or more Federal Deposit Insurance Corporation ("FDIC") insured depository institutions affiliated with Citigroup ("Affiliated Program Banks") as more particularly set forth in the BDP Disclosure Statement provided to the client. CGMI may amend the list of Affiliated Program Banks and the client may eliminate Affiliated Program Banks from the list at any time.

The client is responsible for monitoring the total amount of deposits the client has at each Affiliated Program Bank in order to determine the extent of available FDIC insurance coverage available to the client, and Citigroup, CGMI, Clearing Firm and their affiliates are not responsible for any insured or uninsured portion of the client's deposits at any of the Affiliated Program Banks.

Alternatively, if the client elects a Sweep Fund, the client authorizes without any further direction that all cash balances in the account in excess of \$.01 be automatically invested every business day into the money market fund that has been made available and that the client has chosen. In the event the client does not select a Sweep Fund, the client authorizes the CGMI adviser assigned to the account or CGMI to select the Sweep Fund for the account.

If BDP is selected, the Affiliated Program Banks will have the opportunity to earn income on the BDP assets through lending activity, and that income is usually significantly greater than the fees earned by CGMI on Sweep Funds. Thus, CGMI has a conflict of interest in selecting or recommending BDP rather than a Sweep Fund. By signing an agreement for one of the programs described in this brochure, the client understands this potential conflict of interest.

In non-retirement accounts, CGMI or Clearing Firm, as applicable, may receive from money market funds and their affiliates recordkeeping and sub-transfer agency fees (which include shareholder sub-accounting and networking fees) and 12b-1 fees at an annual rate of up to 0.25% of the amount of assets invested in each fund, for recordkeeping and sub-transfer agency services provided by CGMI or Clearing Firm, as applicable, to the funds or their service providers. A portion of these fees may represent revenue sharing if and to the extent that they exceed what the money market fund would otherwise have paid for such services. The amount of sub-transfer agency fees may change from time to time. These fees, along with other fund-level expenses (e.g., fund management fees), are separate from, and in addition to, the fees clients pay to participate in CGMI investment advisory programs.

An investment in a money market fund is neither insured nor guaranteed by the FDIC or any other government agency. Although money market funds seek to preserve the value of clients' investment at \$1.00 per share, there can be no assurance that will occur, and it is possible to lose money should the fund value per share fall. Moreover, in some circumstances, money market funds may be forced to cease operations when the value of a fund drops below \$1.00 per share. In that event the money market fund's holdings would be liquidated and distributed to the fund's shareholders. This liquidation process could take up to one month or more. During that time, these money market funds would not be available to clients to support purchases, withdrawals and, if applicable, check writing or ATM debits from clients' accounts.

At times, managers or CGMI may believe that it is in a client's interest to maintain assets in cash, particularly for defensive purposes in volatile markets. The above-described BDP arrangements and 12b-1 and revenue sharing payments create a potential for a conflict of interest to the extent that the additional payments could influence the selection of investment managers or an investment style that favors cash balances.

Please note that the CGMI adviser does not receive any of the BDP related income or 12b-1 or revenue sharing payments described herein.

Agency Cross Transactions

Agency cross transactions (i.e., transactions in which CGMI or an affiliate acts as broker for the parties on both sides of the transaction) may be effected for customer accounts to the extent permitted by law. CGMI may receive compensation from parties on both sides of such transactions (the amount of which may vary) and as such, CGMI will have a potentially conflicting division of loyalties and responsibilities. Client consent to agency cross transactions may be revoked at any time by written notice to CGMI.

Acting as Adviser to Funds

CGMI affiliates act or may act as investment adviser to an open-end investment company comprising several mutual funds, and act or may act as an administrator for a wide range of open-end and closed-end investment companies registered under the Investment Company Act of 1940, as amended. CGMI and its affiliates may also serve as investment advisers to a number of investment funds domiciled and sold outside the United States.

Compensation from Funds

Certain mutual funds and mutual funds' affiliates available through the CGMI programs described herein may offer additional compensation to CGMI in the form of 12b-1 fees, management and administrative fees, transfer agency

fees, revenue sharing compensation, record keeping fees, shareholder servicing fees or any other fund related fees (collectively referred to as “Fund Fees”). However, in each of these CGMI programs, CGMI will not seek or retain any Fund Fees from participating mutual funds and will credit the client’s account in the amount of any such fees received by CGMI. Accordingly, in these programs the aggregate fees received by CGMI will not vary depending on the eligible assets in which the client invests. Any fees credited to a client’s account will be reported to such client as additional income if the client account is taxable.

Notwithstanding the foregoing, in the event non-retirement account cash balances in any of the CGMI programs described herein are invested in money market funds, CGMI or Clearing Firm, as applicable, may receive and retain Fund Fees from those money market funds or those money market funds’ affiliates as described further herein.

Personal Trading

Certain representatives within CGMI are considered covered persons under Citi’s Employee Trading and Investment Policy. This policy governs the manner in which the covered persons’ trading account information is made available to the firm’s compliance department and defines instances where pre-clearance or supervisory pre-approval may be appropriate. Covered persons are subject to a number of restrictions including 1) prohibition on conduct of personal trades in securities for which they are in possession of material, non-public information; 2) prohibition on securities noted on the firm’s “restricted list,” and 3) prohibition on trading in securities where new and material research has been published. Other restrictions exist with respect to “new issue”/public offerings and trading of Citi shares.

Covered persons are further prohibited from engaging in market timing strategies with respect to mutual fund transactions in covered accounts.

Certain supervisory staff are responsible for reviewing all personal trading activity of their covered employees for indications of improper trading activity and insider trading.

When CGMI advisers purchase or sell certain securities for their own accounts on the same day that transactions in these securities are effected for client accounts, the price paid or realized by advisory personnel generally may not be more advantageous than the price at which the client transactions are effected. If orders by advisory personnel are part of a batched client order and the entire block of securities is then not executed on the same day, no part of the order executed is permitted to be allocated to any advisory personnel. However, CGMI advisers are not subject to additional personal trading restrictions, such as extended blackout periods, that are applicable to CGMI employees who are associated with an affiliated manager.

B.2 Review of Accounts

Generally accounts are monitored on an on-going basis by the portfolio manager or CGMI advisers and are subject to supervision (either by the branch or a supervisory principal). The portfolio manager's review of discretionary accounts includes a review of each purchase or sale, as well as monthly position reports. Clients also receive periodically a written Performance Review, which is a statistical review and analysis of the account. In connection with certain programs, the Performance Review is also available to clients whose assets are not in Clearing Firm’s custody, and a fee may be charged for this service.

B.3 Client Referrals and Other Compensation

CGMI, its Affiliates and its Employees May Receive Additional Compensation from the Investment Managers They Recommend

CGMI and its affiliates have trading, investment banking, prime brokerage and other business relationships with investment managers which are discussed in “Item 9.A.2—Compensation from Investment Managers.”

Investment managers participating in a CGMI program may make payments to CGMI for marketing, promotional and related expenses; for expenses incurred in connection with training or educational seminars with CGMI advisers and other CGMI personnel; or for expenses incurred in connection with client or prospective client meetings relating to a CGMI program. In addition, investment managers and their affiliates may provide CGMI advisers and clients (existing and prospective) with related items and benefits. These expenses, items and benefits may include, without limitation, training meeting costs for CGMI adviser or other personnel, including payments for travel, lodging and meals for attendees; payments of costs for client/prospect meetings at which the investment managers’ or their affiliates’ services or investment products are discussed, including meals for attendees, room rental costs and

meeting-related presentation materials; occasional meals and leisure/entertainment outings; de minimis gifts; and nominal value promotional items.

The amount of such payments and the value of such items and benefits may or may not be substantial, and will be determined at the discretion of CGMI. Although these payments, items and benefits will not be pre-conditioned on sales targets and levels, they nevertheless could give CGMI and CGMI advisers incentives to favor one investment manager over another investment manager that does not provide the same items, payments and benefits. However, such payments, items and benefits are subject to CGMI's policy that addresses and, in some cases, limits such payments, items and benefits with the overall aim to avoid compromising advice or recommendations given to clients by special incentives or compensation arrangements.

Securities and Fund Services and various other affiliated business units of Citigroup may receive compensation for providing administrative, custody, transfer agent, prime brokerage and back office services to investment managers, mutual funds and hedge funds. These investment managers may include investment managers recommended in the investment advisory programs described herein.

Payment for Order Flow

The SEC requires that all registered broker-dealers disclose their policies regarding receipt of "payment for order flow." The SEC defines "payment for order flow" as "any monetary payment, service, property, or other benefit that results in remuneration, compensation or consideration to a broker or dealer from any broker or dealer, national securities exchange, registered securities association or exchange member in return for the routing of customer orders by such broker or dealer to any broker or dealer, national securities exchange, registered securities association or exchange member for execution, including but not limited to: research, clearance, custody, products or services; reciprocal agreements for the provision of order flow; adjustment of a broker or dealer's unfavorable trading errors; offers to participate as underwriter in public offerings; stock loans or shared interest accrued thereon; discounts, rebates or any other reductions of or credits against any fee to, or expense or other financial obligation of, the broker or dealer routing a customer order that exceeds that fee, expenses or financial obligation."

Pursuant to certain arrangements entered into with Clearing Firm, it is contemplated that Clearing Firm may route certain customer order flow to CGMI. When CGMI executes orders, CGMI may receive payment for order flow from one or more of the New York, American, Boston, Pacific and Philadelphia Stock Exchanges; unaffiliated specialist units on certain of these exchanges; the National Association of Securities Dealers Automated Quotation System ("Nasdaq"), Nasdaq market makers and Electronic Communications Networks. These payments may take the form of rebates, volume discounts or reciprocal agreements to provide order flow.

CGMI performs regular reviews of the execution quality of the market centers that are available to receive customer order flow. When executing trades routed to it by Clearing Firm or for customers who do not specify the particular market center on which they want their trade executed, such orders are systemically routed to market centers that, based on this review, CGMI believes are likely to match or improve the national best bid or offer for the particular stock ordered.

Clearing Firm maintains its own policy regarding payment for order flow, which can be found on the back of the periodic customer statements sent by Clearing Firm.

CGMI and Affiliates Maintain Business Relationships with Companies that May Be Selected or Recommended for Your Portfolio

Portfolio selection decisions made under the CGMI advisory programs may be based in large measure on the fundamental research opinions of CGMI. CGMI does and seeks to do business with companies covered by its research and, as a result, CGMI may have a conflict of interest that could affect the objectivity of its research reports. If such objectivity is affected, it might impact the underlying fundamental opinion upon which investment management decisions are made. In addition, CGMI usually provides bids and offers and may act as principal market maker in connection with transactions in the same securities that may appear in a client's portfolio. CGMI is a regular issuer of traded financial instruments linked to securities that may be purchased. CGMI may hold a trading position (long or short) in the shares of the securities in a client's portfolio or in the shares of companies subject to its research.

As noted previously in this brochure, in selecting investment managers for participation in certain of the investment advisor programs described herein, CGMI uses two methods to evaluate investment managers: CitiFocus List and

CitiAccess List. Please see “Item 6.A—Research in Advisory Programs” for additional details as to CGMI’s research process in selecting investment managers for participation in these investment advisory programs and the conflicts of interest that may arise pertaining to CGMI’s research process.

CGMI and its affiliates provide a variety of services for various clients, including issuers of securities that CGMI may recommend for purchase or sale by clients. CGMI performs a wide range of investment banking services for various clients, and it is likely that CGMI client holdings will include the securities of issuers for whom CGMI performs investment banking services. CGMI client portfolios may include securities in which CGMI makes a market or in which CGMI, its officers or employees have positions. CGMI and its affiliates receive compensation and fees in connection with the provision of the foregoing services. As part of an overall internal compliance program, CGMI has adopted policies and procedures imposing certain conditions and restrictions on transactions for CGMI’s own account or the accounts of its employees. Such policies and procedures are designed to prevent, among other things, any improper or abusive conduct when potential conflicts of interest may exist with a customer or client.

CGMI may enter into agreements with third parties who solicit clients for CGMI’s investment management products. Under such agreements, third parties may refer or solicit clients and receive compensation for such services. As a result of these arrangements, fees paid by clients may differ from the prevailing retail rate, but in every arrangement with a third party solicitor, the structure of the third party solicitation agreement, including the compensation payable to the solicitor, will be disclosed fully to the client as required by applicable law.

CGMI may use client lists when soliciting new clients provided that the existing clients included on such lists have not expressly requested confidentiality, whether in a contract or by written or oral request.

B.4. Financial Information

CGMI does not require or solicit prepayment of more than \$1,200 in fees per client six months or more in advance. Therefore, CGMI has not included a balance sheet of its most recent fiscal year. CGMI is not aware of any financial condition that is reasonably likely to impair its ability meet its contractual commitments to clients, nor has CGMI been the subject of a bankruptcy petition at any time during the past ten years.

B.5. Other Information

CGMI and Overlay Manager have adopted error policies aimed at ensuring the prompt and proper detection, reporting and correction of errors involving the accounts of CGMI clients. The requirements of the error policies apply to the extent that CGMI or Overlay Manager has control of resolving errors for client accounts.

To correct a trading error, CGMI may effect a trade with a client using an error account in order to place the client in the position the client would have been in if the error had not occurred. While such trade may be technically a principal trade, CGMI will receive no additional compensation and no other benefits from such trade.

For all investment advisory programs, profits from trading errors corrected after settlement date are not retained by CGMI and are credited to the client’s account at no expense to the client. Losses arising from post-settlement error corrections are closed out at no expense to the client.

If an investment manager erroneously purchases a particular security for a client account and the error is discovered prior to settlement of the transaction, then, at no cost to the client, the erroneously purchased security may be placed into a separate CGMI error account.

For all investment advisory programs, gains from trading errors attributable to an investment manager that are corrected prior to settlement date are credited against investment manager losses on a quarterly basis. Any net gains from pre-settlement trading errors at the end of each quarter are remitted as a donation to a charity.