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Advisory Brochure (Part 2A of Form ADV)

September 07, 2015

Threadneedle International Limited

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columbiathreadneedle.com/us

This brochure provides information about the qualifications and business practices of Threadneedle International Limited. If you have any questions about the contents of this brochure, please contact us at +44 (0) 207 464 5000.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Threadneedle International Limited is an SEC-registered investment adviser. This registration does not imply a certain level of skill or training. Additional information about Threadneedle International Limited also is available on the SEC's website at www.adviserinfo.sec.gov. Columbia Threadneedle Investments is the global brand of the Columbia and Threadneedle group of companies.

PURSUANT TO AN EXEMPTION FROM THE COMMODITY FUTURES TRADING COMMISSION IN CONNECTION WITH ACCOUNTS OF QUALIFIED ELIGIBLE PERSONS, THE BROCHURE IS NOT REQUIRED TO BE, AND HAS NOT BEEN, FILED WITH THE COMMISSION. THE COMMODITY FUTURES TRADING COMMISSION DOES NOT PASS UPON THE MERITS OF PARTICIPATING IN A TRADING PROGRAM OR UPON THE ADEQUACY OR ACCURACY OF COMMODITY TRADING ADVISOR DISCLOSURE. CONSEQUENTLY, THE COMMODITY FUTURES TRADING COMMISSION HAS NOT REVIEWED OR APPROVED THIS TRADING PROGRAM OR THIS BROCHURE.

MATERIAL CHANGES SUMMARY

The Threadneedle International Limited Advisory Brochure (Part 2A of Form ADV) (the “Brochure”), dated September 07, 2015, has been updated to reflect important information related to changes in our business practices from our last Brochure dated March 31, 2015.

While there have been no material changes to report from the previous annual amendment, we have made certain routine updates. This Brochure contains information about our continuing efforts to enhance and expand our Global Asset Management capabilities through a closer collaboration with our U.S.-based advisory affiliates as described in greater detail under “Global Asset Management”. As a result of this collaboration, the information found in our respective Brochures will be harmonised over time.

Threadneedle Investments along with our US-based affiliate, Columbia Management Investment Advisers LLC, have launched a new global brand called Columbia Threadneedle Investments. The new brand combines the capabilities, reach and resources of Threadneedle and Columbia, offering clients access to the best of both firms through one single brand.

A copy of our current Brochure may be requested from your client relationship manager or by calling +44 (0) 207 464 5000. Upon request we will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge. Additional information about Threadneedle International Limited is also available via the SEC’s website, www.adviseinfo.sec.gov.

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ADVISORY BUSINESS

This disclosure document describes investment advisory services offered by Threadneedle International Limited (“TINTL”). TINTL is a wholly owned subsidiary of Threadneedle Asset Management Holdings Sàrl (TAMHS). TAMHS is in turn a wholly-owned subsidiary of Ameriprise Financial, Inc. (“Ameriprise Financial”). TINTL and the other companies owned by TAMHS together form the Threadneedle Investments group. All investment management within Threadneedle Investments is performed by either TINTL or Threadneedle Asset Management Limited (TAML). The investment management capabilities of TINTL and TAML are integrated and they share the same staff, systems, infrastructure and controls.

Information about Threadneedle Investments

In this document reference to “Threadneedle Investments” refers to the wider activities of the Threadneedle Investments group. Other than TINTL these are not regulated in the US. We have provided this information to put the US related activities of TINTL in the context of the wider activities of the Threadneedle Investments group.

Threadneedle Investments provides a full range of investment products in equities, fixed income, property and alternative investments. Distribution is to a well-diversified base of retail and institutional investors in over 80 countries and across four continents. Threadneedle Investments has approximately 719 employees (as at 31 December 2014), with 158 investment professionals.

Threadneedle Investments was founded in 1994 and has retained strong links with its former parent company Zurich Financial Services Group, managing a significant number of portfolios on Zurich’s behalf.

In 2003, Threadneedle Investments became the international asset management arm of Ameriprise Financial, a US publicly listed company. Threadneedle Investments now benefits from the strength of being part of a wide asset management group and now market its services to prospective clients under Columbia Threadneedle Investments, the global brand of the Columbia and Threadneedle group of companies.

Threadneedle Investments has developed a global product range that uses a wide range of product strategies (UK OEICS, Luxembourg SICAVs, UK Life structures and segregated accounts).

Information about TINTL

TINTL was incorporated in the United Kingdom in August 1988 and has been a part of the Threadneedle Investments group since November 1999. Threadneedle Investments acquired TINTL (then called Kemper Investment Management Company Ltd) as a consequence of the creation of Scudder Kemper Investments, Inc. within the Zurich Group,

In addition to being an SEC-registered investment adviser, TINTL is authorised and regulated by the Financial Conduct Authority (FCA) in the UK for the provision of investment management activities, and as such all investment management services, including those provided to US clients, must also comply with the FCA rules.

TINTL is registered as a Commodity Trading Advisor (CTA) with the US Commodity Futures Trading Commission (CFTC) and it also has a small asset management capability in Australia, operating under an Australian Securities and Investments Commission (ASIC) under an individual relief exemption.

General Services of Threadneedle Investments

Threadneedle Investments, headquartered in London, has evolved from an in house investment manager for an insurance parent to a provider of global investment products to both retail and institutional clients. Growth has been achieved through diversification of products and investment in distribution capability. Threadneedle

Investments' product range initially concentrated on the equities market. However, this has expanded to cover all global equity markets, a comprehensive range of fixed income products, including commodities, cash and a property offering.

Threadneedle Investments has steadily established a global presence by expanding its distribution network to encompass Europe, North America, Asia, Australia and the Middle East. Threadneedle Investments has a presence in 17 countries.

Threadneedle Investments' operating platform underpins a range of products and distribution channels. A significant portion of the operational infrastructure is outsourced and is overseen by a dedicated team based in Threadneedle Investments' UK and Luxembourg offices.

Under Threadneedle Investments' risk management framework, risk control is embedded into the investment process, and overseen by an independent Risk department. Threadneedle Investments also has separate Internal Audit and Compliance functions that between them oversee all aspects of its activities.

Securities Investment Management

Threadneedle Investments portfolio investment management process is supported by a single shared investment platform, a teamwork based approach which considers the macroeconomic environment, together with incorporating thematic research and cross border ideas. Formal meetings bring together investment professionals from across assets classes to share the best ideas and knowledge.

Equities are the largest single asset class for Threadneedle Investments with total equity assets under management of \$87.3bn at 31 December 2014. The global offering includes UK, European, US, Global, Asia, Japanese and Emerging Market Equities.

Threadneedle Investments' fixed income expertise is provided across the credit spectrum with emerging markets, high yield, governments, investment grade, money markets, commodities and asset backed securities forming the pillars of the fixed income business. Total fixed income assets under management at 31 December 2014 were \$44.4bn.

Threadneedle Investments' managed funds form a major component of the securities investment management business based around the asset allocation process, the managed funds utilise market specific expertise in equities, fixed income and property.

Threadneedle Property Investments Limited, a sister company of TINTL is one of the largest real estate portfolio managers in the UK, with assets under management of \$11.9bn as of 31 December 2014.

Advisory Services offered by TINTL

TINTL provides discretionary and non-discretionary investment management services (including continuous advice to clients on the investment of portfolios, trading, cash management and record keeping) to US and non-US registered investment companies and other US (including state or municipal government entities) and non-US institutional client accounts.

In addition to the arrangements described in "Global Asset Management", below, our US clients currently receive discretionary investment advisory services from TINTL through sub-advisory agreements with Columbia Management Investment Advisers, LLC (CMIA), an affiliated US registered adviser. These sub-advisory services include TINTL acting as sub-adviser for certain mutual funds managed by CMIA.

It is TINTL's intention in the future to enable US clients to receive investment advisory services from TINTL directly rather than pursuant to this sub-advisory arrangement.

The discretionary advisory services we offer are available to prospective advisory clients. These clients can negotiate an investment management agreement with us, which incorporates investment restrictions and guidelines developed in consultation with clients. These restrictions and guidelines customarily impose limitations on the types of securities that may be purchased and also generally limit the percentage of account assets that may be invested in certain types of securities. The amount of client assets managed on a discretionary basis by TINTL as of 31 December 2014 was \$4.1bn. TINTL does not manage non-discretionary client assets.

TINTL participates in wrap fee programs commonly referred to as “Model Delivery Programs” in which we provide investment advice to the program sponsor and/or another investment adviser, commonly referred to as an “overlay manager,” who exercises discretion over their client accounts in the program.

Global Asset Management

As we seek to enhance our investment capabilities and services to our clients, we may engage certain of our investment advisory affiliates (“Advisory Affiliates”) in other countries around the world to provide a variety of services. In addition, we may provide Advisory Affiliates and their personnel (jointly or in coordination with us) services relating to client relations, investment monitoring, account administration, investment research and discretionary investment management (including portfolio management, trading and risk management) to certain accounts managed by those Advisory Affiliates, including registered mutual funds, other pooled vehicles and separately managed accounts. In addition, our Advisory Affiliates may provide similar services to us for accounts we manage. In some circumstances, an Advisory Affiliate may delegate responsibility for providing those services to another Advisory Affiliate. To the extent that we engage one or more of our Advisory Affiliates to provide services, we remain responsible for and oversee the services provided by such Advisory Affiliates(s) to or on behalf of our clients

We believe that harnessing the collective expertise of our firm and our Advisory Affiliates will benefit our clients. In this regard, we have certain portfolio management, trading, distribution and client servicing teams at both our firm and our Advisory Affiliates (through sub-advisory or other intercompany arrangements) operating jointly to provide a better client experience. These joint teams use expanded and share capabilities we and our Advisory Affiliates provide, including the sharing or research and other information by investment personnel (e.g. portfolio managers and analysts) across our firm and at our Advisory Affiliates relating to economic perspectives, market analysis and equity and fixed income analysis. Because some of the investment research we share with our Advisory Affiliates is provided at the same time as the research is distributed internally, portfolio managers of our Advisory Affiliates may act on such research before our own portfolio managers. The sharing of this information may also lead us and our Advisory Affiliates to place orders in the same securities at the same time or sequentially.

We have adopted policies and compliance controls that seek to ensure that our clients are treated fairly and equitably with respect to trading and sharing of information amongst Advisory Affiliates. More information about how we identify, mitigate and manage conflicts of interest can be found throughout this Brochure.

To facilitate the collaborative approach noted above, we have entered into sub-advisory agreements and “participating affiliate” arrangements with Columbia Management Investment Advisers, LLC (CMIA), which is a SEC-registered investment adviser, a CFTC-registered Commodity Pool Operator, a CTA and a wholly-owned investment advisory subsidiary of Ameriprise Financial, Inc. Under the participating affiliate arrangements, certain employees of TINTL serve as “associated persons” of CMIA in respect of the provision of certain of these services on behalf of CMIA, and in this capacity are subject to CMIA’s oversight and supervision.

Potential Conflicts of Interest

Except in circumstances where an Advisory Affiliate is performing investment management or trading services for our accounts or we are providing investment management or trading services for an Advisory Affiliate’s accounts, we do not share trade information with our Advisory Affiliates. Similarly, we do not coordinate or allocate trading activities with the accounts of an Advisory Affiliate unless such affiliate is providing trading

services for our accounts or we are providing trading services for the Advisory Affiliate's accounts. As a result, it is possible that we and our Advisory Affiliates may trade in the same instruments at the same time, in the same or opposite direction or in different sequence. Additionally, in circumstances where trading services are being provided on a coordinated basis for our accounts and the accounts of one or more Advisory Affiliates in accordance with applicable law, it is possible that the allocation opportunities available to our accounts may be decreased, especially for less actively traded securities, or orders may take longer to execute.

Further, because some of the investment research we share with our Advisory Affiliates is provided at the same time as the research is distributed internally, portfolio managers of our Advisory Affiliates may act on such research before our own portfolio managers. The sharing of this information may also lead us and our Advisory Affiliates to place orders in the same securities at the same time or sequentially.

We have adopted policies and compliance controls that seek to ensure that our clients are treated fairly and equitably with respect to trading and sharing of information amongst Advisory Affiliates. More information about how we identify, mitigate and manage conflicts of interest can be found throughout this Brochure.

FEES AND COMPENSATION

How we are Compensated, and our Fee Schedules

Fees for privately separately managed accounts are generally based on an annual percentage of the value of assets under management as determined by TINTL or an affiliated adviser in good faith.

For US clients sub-advised by TINTL, fees paid by clients are generally set and calculated by CMIA with TINTL receiving a proportion of the fees charged.

In general, TINTL reserves the right, in its sole discretion, to negotiate and to charge different fees for different accounts based on the client's specific needs, goals, risk tolerance and other factors related to the client's particular circumstances as well as the resources committed to the account and TINTL's capacity to accept further accounts of a similar type. All of these factors, including the totality of TINTL's relationship with a client and/or its affiliate(s), may also be taken into consideration in determining whether a client is similarly situated to another client for most-favoured-nations purposes.

Fees paid by any US registered investment companies for which TINTL may serve as an investment sub-adviser are negotiated on a case-by-case basis with the adviser and are set forth in the funds' prospectuses. Fees paid by any Private Funds or collective funds for which TINTL may provide services are negotiated on a case-by-case basis with the adviser and are set forth in the relevant product's offering materials.

TINTL may also receive performance-based fees from certain clients subject to applicable rules and regulations. Where TINTL's clients pay for services by means of performance-based compensation, there may be an incentive for TINTL to make investments that are riskier or more speculative than would be the case, in the absence of performance-based compensation. In addition, the performance on which performance-based compensation is calculated will include unrealized appreciation and depreciation of investments that may not ultimately be realized.

The representative annual fee schedule used as a starting point for fee negotiations for separate account investment management agreements entered into directly between TINTL and a client is as follows:

0.75% - First \$100 Million
0.65% - Over \$100 Million

Model Delivery Program Fees

We participate in a “Model Delivery Program” in which we provide investment advice to the program sponsor, commonly referred to as an “overlay manager,” who exercises discretion over client accounts in the program. In these programs, advice is provided through periodically updated model portfolios given to the overlay manager who then exercises discretion in deciding whether and how to implement that advice in a client account that is made up of other model portfolios and/or securities products. In these arrangements, we do not have discretion to carry out the advice contained in the model portfolios. We also do not have an adviser-client relationship with clients participating in these model delivery programs, nor do we have access to the identity of clients or the composition of a client’s account.

How fees are recovered

TINTL bills the client separately for its fees, and does not receive fees directly from client accounts pursuant to automatic deduction arrangements.

Under most contractual arrangements, either TINTL or the client may terminate an investment advisory contract upon written notice to the other party (of a specified period) and fees are pro-rated upon termination. Since fees are generally payable in arrears, they are not refundable.

Any other fees or expenses

Were TINTL to use pooled investment vehicles in the portfolios of its clients, it is our usual practice to avoid double charging by rebating the mutual fund’s annual management charge (AMC) and registration fees, however clients may request alternative models. TINTL does not offer custody services.

Fee payments in advance

Fees are generally payable either monthly or quarterly, in arrears and based on the period average, or period end value of assets under management, as agreed with the client. It is not usually our practice to charge fees in advance.

Remuneration for sale of securities

TINTL or its associates are not remunerated for the sale of securities. Clients’ portfolios will incur transaction charges from brokers on the purchase and sale of investments. TINTL participates in soft dollar arrangements, which are set out in more detail under the “Brokerage Practices” section.

PERFORMANCE BASED FEES AND SIDE BY SIDE MANAGEMENT

Performance-Based Fees

Qualified clients may negotiate performance-based fees in compliance with Advisers Act requirements with respect to accounts managed by us. For example, we may receive a performance-based fee of up to 20.0% of the net realized and unrealized appreciation based on a high water mark/hurdle rate or benchmark index performance. The performance on which performance-based compensation is calculated will typically include unrealized appreciation and depreciation of investments that may not ultimately be realized.

US Clients' portfolios may also be managed side by side with US or non-US clients' portfolios (managed by either TAML or TINTL) that are subject to performance fees.

We believe that performance-based fee arrangements align our interests with the interests of our clients who are subject to those fees. We recognize the structure of these arrangements can create an incentive to favour these accounts in allocating investment opportunities or to make investments that are more speculative than would be the case in the absence of performance-based compensation. We have adopted policies and procedures that seek to mitigate certain conflicts presented by our performance-based fee arrangements.

Management of Multiple Accounts - Holdings Based Side by Side Management

TINTL and TAML share all portfolio and trading personnel as well as portfolio research and analysis. As such, both TINTL and TAML have adopted special restrictions to prevent conflicts of interest between the management of US accounts and collective investment schemes managed by such personnel. Threadneedle Investments' "Side-by-side Management Program" allows a manager of a US Mutual Fund to also manage "long/short funds" (for example 130/30 funds), but restricts contrary holdings positions in the portfolios they manage.

For the purpose of this program a contrary position is the selling of a security short or shorting a security using a synthetic or derivative instrument, if the portfolio manager (as either lead or deputy) holds a long position in the same security in another portfolio.

Contrary holdings positions should only be opened or maintained if the short is (i) of a holding size in the long only portfolio, relative to Net Asset Value that is underweight when compared to that of its appropriate index; or (ii) where the short security is held (shorted) within a short "broad" based index (broad being defined as 30 or more constituents); (iii) undertaken as part of a "pairs trade" strategy, such that the short stock is considered negative on a relative basis when compared (or "paired") against another security (for example, two stocks within one industry sector, with one being shorted whilst the other is held long and typically to equivalent position sizes); (iv) if the differing objectives of portfolios leads to different time horizons and/or risk management requirements. There is also an exception provided for a "box trade" (i.e., the same account holds the same security long and short resulting in a flat position based on the view that the position may be a good short in the future and that it will be difficult to borrow in the future because of demand).

Nothing in the procedures described above prevents a portfolio management team from selling a covered call option or buying a put for a portfolio to reduce a long exposure to the underlying security in that same portfolio.

From time to time, employees and principals of TINTL or any related person(s) may have interests in securities owned by TINTL clients. As these situations may represent a potential conflict of interest, TINTL and TAML have adopted common procedures relating to personal securities transactions and insider trading, that are designed to prevent actual conflicts of interest.

Management of Multiple Accounts – Trade-Based Conflicts of Interest

We and our affiliates may trade in the same securities. Certain securities may be subject to ownership limitations due to regulatory limits imposed by various jurisdictions for certain industries or by issuers through mechanisms such as poison pills. Some of these limitations may require us to aggregate our clients' holdings with those of our affiliates' clients in the same security for purchases of determining compliance with those thresholds. In these instances, we (and therefore our clients) may be limited or prevented from acquiring securities of an issuer that we may otherwise prefer to purchase. For example, many countries limit the amount of outstanding shares that an organization, including any of its affiliates also holding shares, may hold in a bank holding company with a locally-domiciled bank. In this circumstance, we may be limited or prevented from purchasing additional shares of that issuer if the purchase would put us over the regulatory limit when combined with our affiliates' holdings even if our holdings alone would not be in excess of limit. We have policies and procedures in place to monitor and interpret these ownership limits. However, it is possible that we and our affiliates may inadvertently breach these limits, and we (and therefore our clients) may be required to sell securities of an issuer that we may

otherwise prefer to continue to hold in order to be in compliance with such limits. In addition, it is possible that aggregate ownership limitations could cause performance dispersion among accounts with similar investment objectives and strategies and portfolio management teams. For example, if further purchases in an issuer are restricted due to ownership limits, a portfolio manager would not be able to invest a new account in securities of that issuer that may be held by funds and accounts managed with similar investment objectives and strategies. We may also choose to limit purchases in an issuer to a certain threshold for risk management purposes. If the holdings of our affiliates are included in that limitation, it is possible that we may be limited in our ability to purchase securities we would otherwise prefer to purchase in order to maintain such limits.

We have procedures in place designed to monitor the potential conflicts arising from such limitations.

TYPES OF CLIENTS

We provide investment advisory services to the types of clients listed below.

- pension, profit sharing, employee savings funds and Taft-Hartley pension funds;
- foundations and endowments;
- corporate clients, including tax-exempt and not-for-profit organizations;
- state, municipal or other governmental entities;
- open-end investment companies registered with the U.S. Securities and Exchange Commission branded as “Columbia Funds” (the “Mutual Funds”);
- Mutual Funds that are used as funding vehicles by separate accounts for variable annuity contracts and/or variable life insurance policies issued by our insurance company affiliates and third party, unaffiliated insurance companies;
- certain collective funds maintained by our affiliate Ameriprise Trust Company (“ATC”);
- other collective funds and certain common trust funds;
- various private, pooled investment vehicles (“Private Funds”) organized as limited partnerships, limited liability corporations, non-U.S. entities or other legal forms;
- sponsors of Model Delivery programs and other investment advisers participating in such programs; and
- Ameriprise Financial and its affiliates.

Conditions for Managing Accounts

For individually managed accounts, the minimum account size for each management style is £50million and the minimum annual fee is £150,000 unless otherwise stated. TINTL reserves the right to waive account minimums in its sole discretion.

TINTL reserves the right to decline any account. TINTL also reserves the right to resign as investment adviser to any account, in accordance with the terms of the client contract, after initiation of the investment advisory

relationship. The assets of all accounts managed by TINTL must be deposited with a custodian or broker dealer acceptable to TINTL.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Investing in securities involves risk of loss that clients should be prepared to bear.

Methods of Analysis

The methods of analysis that we employ for Mutual Fund clients are described in the applicable fund prospectus. Methods of analysis that we may employ for Private Funds, collective funds and alternative investment clients are described in offering materials relating to the product.

The methods of analysis that we employ for institutional clients is consistent with the aforementioned in that they are based on the same core investment philosophy. This is described in more detail below.

TINTL provides advice on global, international, regional and emerging market portfolios. Depending on the investment strategy selected, TINTL may on behalf of its clients, invest in exchange-listed and over-the-counter (“OTC”) instruments (including equities, warrants, options, futures and swaps); debt securities, including corporate, municipal, government and government agency issues; mortgage- and asset-backed securities; rights; convertible debt and equity securities; repurchase and reverse repurchase agreements; mutual fund shares; loans; foreign currencies (on both spot and forward exchange markets); non-deliverable forward currency transactions (“NDF”) along with providing advice on the retention or deposit of foreign currency balances pending investment or reinvestment. TINTL may also provide advice regarding privately placed or foreign (non-US) investment vehicles.

Different investment types expose TINTL’s clients to different types of risks, and some of these risks may be significant. For example, even with effective due diligence and exposure monitoring controls in place, investors in derivatives and structured investment products can face potentially significant unsecured exposure. These exposures can occur when disorderly market conditions create uncertainty regarding both collateral values and contractual exposures. There is also an interconnection between certain types of risks, and these interconnections can become magnified when multiple factors move against an investment at once, resulting in large and more problematic risk exposure than originally envisioned. TINTL does its best to mitigate these risks, but certain developments are unforeseen and investors can lose money.

Significant Investment Strategies utilized by Threadneedle Investments

We employ various investment strategies through our investment mandates and based on the objectives and strategies of the clients involved. Client portfolios with similar investment mandates, strategies and guidelines are generally managed with a consistent approach.

Threadneedle Investments relies primarily on a dynamic style of investing, which means that it actively seeks to select the investment bias believed to be most effective for the prevailing economic or market conditions, rather than following a value or growth style indefinitely.

We may also borrow securities in connection with short sales, borrow money to invest in additional portfolio securities or engage in transactions in futures contracts for some clients. We may also provide asset allocation services to certain clients, on either a discretionary or non-discretionary basis, with periodic rebalancing.

In employing investment strategies, we may use certain hedging strategies in an attempt to “hedge” or “neutralize” various risks associated with positions in a client’s portfolio. The instruments used to engage in these

hedging strategies include various derivative instruments, such as options, warrants, interest rate swaps, interest rate caps and other derivative securities. Our attempts to partially or fully hedge a portfolio may not be successful and may cause the portfolio to incur a loss.

Investment philosophy

Columbia Threadneedle Investments' investment philosophy is based on the following core beliefs:-

- An active approach that takes advantage of market inefficiencies
- Global perspective advantage – the combination of macro and micro insights
- The appropriate allocation of risk

Our investment approach provides a global perspective advantage that enables us to deliver the investment outcomes that our clients want. This perspective advantage is gained by combining macro and micro insights with an active approach to portfolio construction. Independent thinking, rigorous debate and sharing of ideas balanced with a disciplined approach to risk ensures we can deliver better informed investment decisions for our clients.

Our clients' success is our priority and we have therefore put the customer at the heart of Columbia Threadneedle Investments. We aim to deliver successful investment outcomes, solutions and service for our clients across the globe.

We believe that outperformance is created by the quality of our thinking about economics, markets and stocks set within the parameters of our client's needs. Hence our process is structured to facilitate the generation of, strong investment ideas. The critical point is that the ethos of Threadneedle Investments is built upon a complete focus on and belief in teamwork as a means to generate outperformance. It is about working together to generate ideas and testing them, getting input from different asset assets and geographies to make sure they are robust. This is so much more than just sitting with, or working with colleagues, but more a belief that by coming together as an organisation and working with colleagues from all asset classes, we will in our own individual area have a much better chance of generating alpha. Our experience tells us that the combination of this approach, accompanied by the total market coverage gives us a perspective advantage when it comes to making investment decisions and has been instrumental in helping us generate our performance track record.

Investment Process

Threadneedle Investments puts this into practice through the following process.

The starting point is the formal series of monthly meetings we have to discuss the macro economic backdrop, the valuation of asset classes and the current house asset allocation stance. We collectively come together to determine how we see the investment landscape from a macro and valuation perspective. This then drives further the debate on the resultant themes arising from the conclusions of these meetings. We seek to understand how these themes will influence markets and asset and securities behaviour. This then sets the agenda for our specialist teams and points us in the direction of alpha generating ideas.

Governance and Responsible Investments

Threadneedle Investments is signatory to the United Nations backed Principles for Responsible Investment (PRI), which is based on six principles looking to address environmental, social and governance (ESG) factors.

The analysis of the ESG factors is incorporated into Threadneedle Investments process is to identify material associated risks and opportunities. Different asset classes have different levels of ESG integration. The Governance and Responsible Investment (GRI) research has a strong focus on equities with substantial involvement in fixed income and to some extent in commodities.

Threadneedle Investments process follows a model of idea generation, research and debate towards implementation. ESG research is integrated into key stages of the investment process, as part of the analysis of long-term, quality investments and is generally a key element of research and debate. The monitoring of regional

focus lists and regular involvement in team discussions helps to identify the most appropriate areas of focus and research.

We generally believe that incorporating ESG criteria will enable portfolio managers to make better informed investment decisions. However, while ESG forms part of the assessment, individuals and teams make their own investment decisions. The strategy ensures substantial dialogue between the GRI team and our portfolio managers and analysts, and contributes to the understanding of risk and opportunities on a stock, sector and theme. This process of dialogue furthers the wider understanding of ESG factors. Main areas of input include morning meetings, stock reviews, themes and sector reviews, company meetings, weekly and ad-hoc updates. In addition and where appropriate, relevant portfolio managers participate in ESG related meetings, enhancing their understanding and appreciation of risks and opportunities, while the GRI team participates in mainstream meetings.

We have a risk-based approach and pay particular attention and enter into dialogue with those companies and issues where we can have the greatest impact and see the highest correlation to shareholder value. As fragmented ownership reduces our level of influence, we work collaboratively with other investors through the PRI and other similar networks to engage on a wide range of issues. Furthermore we actively practice proxy voting and vote our shares globally.

Threadneedle Investments Equity Investment Process

The equity process operates in a series of regional teams.

The generic process has the key components as set out below:

- Idea generation
- Company research
- Portfolio construction
- Risk management

Idea Generation

Threadneedle Investments concentrates on distilling the significant amount of data available to us into information that creates value added within its research process. Idea generation is a broad process with several inputs all of which serve to achieve the conditions in which investment ideas are generated. Broadly speaking Threadneedle Investments utilises both a top-down and bottom-up approach with sector and market developments contributing to this.

The inputs to ideas generation are:

a) Macro Economics and Themes (top-down) – ideas generation input

The macroeconomic and themes framework is generated and debated through the three key monthly meetings as previously described. The insights gained from this work can highlight those areas of the market that are likely to be a good source of stock opportunities. It also provides a background for stock assessment which helps prioritise the research agenda and the understanding of potential macro risks in the portfolios.

b) Company Meetings (bottom-up) – ideas generation input

Threadneedle Investments meet with around 3,800 companies, both owned and not owned, from the defined investment universe each year. Meetings help Threadneedle Investments to understand a company's business model and its prospects identify the most appropriate valuation metric and broaden its understanding of the market environment in which the company is operating. They also provide insight to competitors, suppliers, other companies and the wider industry.

c) Global Sector Meetings – ideas generation input

Global sector teams meet to review sector trends, identify investment opportunities and sector strategy. The ideas from their meetings are then used by regional desks in their stock selection and for the portfolio construction process.

Company Research

Threadneedle Investments' stock analysis focuses on the fundamentals of a company. Threadneedle Investments has a preference for proprietary sources of research such as meeting company management and interpreting company accounts to form their own views. Central to this is developing a thorough understanding of the company's model and making observations of the drivers as well as in-depth discussions with management. Threadneedle Investments supplement this analysis with a thorough knowledge of external research on the company, which helps the analysis provide a range of views on the stock, as well as identifying market consensus. The company research process considers the following:-

Financial Model

- Balance sheet
- P&L
- Cash flows
- Returns on capital
- Margin trends

Business Model

- Market cycle
- Industry demand/supply
- Economic data
- Industry capital cycle

Management

- Experience
- Alignment of interest with shareholders
- Capital allocation record and strategy

Valuation– what is it worth?

- Dependent on the industry and business model e.g.:
 - Price / free cashflow
 - Price / earnings
 - E.V. / sales
 - Price / book etc.

Stocks Graded / Target prices / downside risk

- Stocks graded with at least 12 month price target
- Risk / reward

Intensive team debate and discussion

- Team meetings, informal on the desk discussions
- Feedback loop from PM to analyst

This helps the generation of high conviction ideas

Portfolio Construction

Regional teams define their own strategy and tactics within the global framework when constructing portfolios. Portfolio managers and construction groups build the portfolio from the bottom up stock picks of the team and with reference to their team strategy, subject to risk. Portfolio concentration, position size and thematic biases are all considered.

Risk Management

The risk tolerance of individual portfolios is defined and the portfolio construction process has risk control embedded in it so that the risk characteristics of a portfolio are readily available to portfolio managers as they review portfolios and consider investment opportunities.

Threadneedle Investments Fixed Income Investment Process

Threadneedle Investments believes that interaction among its Fixed Income specialists is vital for successful portfolio management. An integrated investment approach ensures that the best ideas are expressed in Threadneedle Investments' portfolios. This is particularly true for those portfolios that can invest across the entire spectrum. While the investment process is team-based, it does also enable portfolio managers to exercise their own skill and flair. This ensures that specialist portfolios benefit from their specialist managers' expertise.

Threadneedle Investments believe that Fixed Income markets are driven by fundamental, structural and valuation factors. Analysis of these factors drives the asset allocation approach for the Fixed Income teams. Each of Threadneedle Investments' Fixed Income teams looks at their specialist market under these broad headings, but emphasis among these factors varies between the teams with the nature of each market and with the investment and economic cycle.

Fundamental: The fundamental macro-economic and broad market outlook is a major input to Threadneedle Investments' approach, not only for government bond and currency markets, but for all markets. Threadneedle Investments do not believe that any credit, be it Investment Grade or High Yield, or any government risk, developed or emerging, can be considered in isolation without due regard to the global and local macroeconomic outlook. Understanding company fundamentals, including strategic and business as well as financial factors, are equally important. For credit positions, the Threadneedle Investments team will consider: industry outlook, relative competitive position, management strategy and historic and expected financial performance of the bond issuer. Event risk is also important and is considered separately in the relevant process.

Structural: Studies of structural issues can be just as powerful generators of performance as analysis of fundamental factors. Threadneedle Investments will consider major market participant actions and intentions at the Fixed Income asset class. It also considers the market segment (industry, maturity band, credit rating), individual issuer and bond level and also liquidity and trading costs. Within this Threadneedle Investments also include technical factors from analysis of long and short term charts of securities and indices that can help set attractive entry and exit points for positions and provide trade ideas. For currency and interest rate markets, the technical aspects are considered to be sufficiently important to require separate evaluation.

Valuation: Threadneedle Investments assesses valuation alongside fundamental and structural factors in making investment decisions. Again this assessment takes place at the Fixed Income asset class, the market segment (industry, maturity band, credit rating), and the individual issuer yield curve and at the bond level. Valuation views are formed from both an absolute and relative perspective and will be cognisant of price or value volatility in reaching conclusions. Threadneedle Investments aims to identify the best potential sources of added value and to position portfolios accordingly, whilst carefully managing risk within client constraints. Threadneedle Investments reject the hierarchical approach to Fixed Income portfolio management, which allocates rigid risk budgets to individual sources of investment return. Rather, the investment philosophy is focused on change by seeking to add incremental return by allocating active risk to wherever the research process identifies the best

sources of performance. Experience has shown that a flexible and multi-disciplined approach has proved essential for clients' mandates.

At any given time, Threadneedle Investments' assessment of the drivers of Fixed Income markets may show opportunity in one (or more) of the following alpha sources:

Asset allocation: Incremental performance over the benchmark earned through an active weighting in the Fixed Income asset classes forming part of a portfolio's permissible investments or benchmark. This includes off-benchmark investment (where permitted) and also the weighting between cash and securities.

Duration: Incremental performance over the benchmark from positioning the portfolio's overall exposure to interest rates relative to its benchmark.

Yield curve. Incremental performance earned from over and under-weighting of the portfolio along the maturity spectrum relative to its benchmark.

Currency: Incremental performance derived from taking positions in currencies other than the benchmark currency (where permitted) or through positioning the portfolio's exposure to exchange rates in a different way from the composition of the benchmark.

Sector allocation: Incremental performance derived from over and under-weighting of the portfolio's position by corporate/industrial sectors. This is another way of altering the sensitivity of the portfolio's performance to economic conditions.

Credit quality mix: Incremental performance from altering the portfolio's credit quality mix versus its benchmark by over and under-weighting the portfolio's position by credit rating category.

Issuer-specific bond selection: Performance gained from holding an active weight in an issuer or a specific bond where Threadneedle's investment process has highlighted an opportunity.

The importance of each of these alpha sources to client portfolios will vary in importance with each client's investment objectives and mandate restrictions. Furthermore, at any given time, more opportunity may exist in one (or more) of these areas than in others and active portfolio risk is allocated accordingly, within the constraints agreed with each client and each portfolio's investment goals. The importance of each source of alpha will also vary by fixed income asset class, with macro factors (e.g. duration, curve) having more importance for government bond and investment grade portfolios, and micro factors (e.g. stock selection) being greater drivers of importance for those asset classes that invest lower down the rating spectrum. Threadneedle Investments' investment process is team-driven. In a series of structured meetings, the expertise of the relevant portfolio managers and analysts are drawn upon to evolve a team view of the investment opportunities. Threadneedle Investments' fixed income investment process comprises:

- Fundamental macro-economic analysis, together with structural and valuation analysis on interest rates and government bonds primarily sourced from Threadneedle Investments' Government Bond and Currency Team. This drives the duration, curve and currency views and sets the backdrop from asset allocation and the top-down input into views on credit markets and individual credits.
- Asset allocation input from Threadneedle Investments' Fixed Income Asset Allocation meeting formulates views on the relative attractiveness of each Fixed Income asset class using fundamental, structural and valuation drivers.
- Desk specific factors. For example the Investment Grade Desk use a positioning strategy for investing in corporate credit at the sector and credit rating level backed by investment analysis on the credit markets and individual credits and bonds.

Taken together these inputs provide the strategy for investing with views on each of the seven alpha sources. The portfolio construction process ensures and reviews the consistency and appropriateness of expression of these views in client portfolios in the context of each client's individual performance objectives and risk constraints. Threadneedle Investments' risk department monitors adherence to client mandate constraints and internal risk guidelines.

Portfolio commonality

Portfolio managers hold regular meetings to formally review the portfolios' positions against each element of portfolio strategy and between portfolios. Portfolios with common objectives are expected to have a high degree of commonality and this is confirmed both by comparing positions and also through reviewing cross tracking error from risk reports.

Team work and decision making

All significant aspects of portfolio positioning are discussed within the team. This ensures that we benefit from the differing strengths and perspectives of the various members of the team. In all the meetings and discussions, a culture of open debate and challenge is actively encouraged; however the ultimate responsibility for portfolio decisions rests with the portfolio manager.

Threadneedle Investments Asset Backed Securities ("ABS") Investment Process

Investment philosophy

- Threadneedle Investments seeks to generate alpha by exploiting the current dislocation and illiquidity in the ABS market.
- Fundamental credit research is the key driver of investment outperformance, underpinned by proprietary quantitative systems.

Investment Process

Our approach to investing in ABS combines top-down asset allocation and bottom-up security selection. This aims to identify those securities that are attractive relative to their sector in terms of underlying collateral, expected cash flows and capital structure.

Step 1: Develop view on relative value

We have developed our own proprietary quantitative systems which analyse a range of performance data for each security within the investment universe. This focuses on determining the expected credit performance of the underlying collateral, which is the main driver of each security's performance.

We also conduct cash flow stress tests on every security in the universe to evaluate how each performs under different 'what if' scenarios.

This top-down analysis enables us to rank securities on a relative basis, which are then subject to a rigorous fundamental evaluation at the next stage of the process.

Step 2: Build strategy

The investment team works closely with the credit analysts within Threadneedle Investments' research team to exchange ideas and information. Using our proprietary quantitative systems, we then conduct rigorous fundamental credit research on each potential portfolio candidate. This includes detailed sector evaluation, a

review of the loan servicer senior management, systems and processes, probability and severity of collateral defaults and the impact on the security itself.

Step 3: Implement strategy

The investment team meets regularly to review existing holdings and discuss new investment ideas. The team sets price targets for specific issues and investment time horizons, selecting those securities that are undervalued on a relative basis and should provide the best risk / return trade-off.

Our active management of the sell process is vital when maximising the value achieved when selling securities. As the majority of eligible investments are sourced via the secondary market, a significant amount of portfolio management time is spent sourcing investment opportunities by working with a wide range of market participants.

Step 4: Active risk management

Risk management is an integral part of the investment process and is collaboration between the investment team and our independent risk management team. We believe that our proprietary quantitative systems and rigorous credit analysis of each potential investment provides us with a competitive advantage in portfolio construction and risk management.

Threadneedle Investments Commodities Investment Process

The Commodities team draws from a wealth of experience and expertise from within the commodities markets, whilst leveraging the resources of the Fixed Income Group:-

- Making the most of the group's trade-flow information
- Participating in formulation of the Macro and Fundamental views

As well as Threadneedle Investments' extensive strength in equities:-

- Sharing investment ideas and broadening our perspective on commodity markets
- Meeting with resources companies' management teams provides unique insights into supply and demand and technological developments across commodity markets

Threadneedle Investments adopts a fundamentally driven commodity investment process, through determining sector and individual commodity allocations in addition to targeting out-performance through allocations.

The team seeks to generate uncorrelated out-performance through proactive curve positioning:-

- Positioning individual commodity allocation along the term-structure
- Seeking to capture curve volatility and asymmetric opportunities
- Timing of moving allocations along the curve

Allocations and positioning are rebalanced regularly.

The investment process considers the following:-

Market Conditions Overview

Macro-economic analysis using input from:

- Economic research
- Investment themes
- Asset allocation process
- Government Desk Weekly Analysis

Assessment and Views of Individual Markets

- Fundamentals
- Seasonals
- Technicals
- Structure and Liquidity

This process uses market Information and internal Threadneedle Investments support across the following sectors:-

- Energy
- Materials
- Agriculture
- Emerging Markets

Portfolio construction

- Allocation and Weighting
- Position on curve
- Relative value

This uses independent pre and post trade risk management and analytics against agreed risk guidelines from which implementation of these investment ideas are subsequently undertaken.

Implementation

This includes regular rebalancing.

Threadneedle Investments score individual commodities in each sector at our regular team meetings according to the following factors:

- Macro
- Fundamentals
- Technicals / Market Structure (including volatility)
- Seasonality
- Term Structure

This provides a framework for conviction in each sector. In contrast to passive commodities vehicles, we factor in short-term shifts in supply and demand as well as longer-term drivers and commodity fundamentals. We actively manage exposure and will adjust weightings where we see opportunities.

Threadneedle Investments' equity investment philosophy is based on the following concepts consistent with the team based investment process previously described:-

- Fundamental, bottom-up stock selection drives portfolio construction
- Concentrated portfolios with efficient risk diversification
- Seek to maximise returns per unit of risk
- Dynamic style – portfolio style bias changes over the cycle

The primary methods of analysis and the material risks involved for the standard investment strategies that we offer to our institutional clients are set forth in the chart below.

A Word about Risk

Each investment strategy is subject to certain specific risks, some are which are material, and others less so. In the chart below we have listed the material risks for each strategy. Other risks that are not material also apply. Each material risk is described in the Risk Disclosure Appendix.

Material risks that apply to every strategy include issuer risk and market risk.

Issuer risk is the risk that an issuer of a security may perform poorly, and therefore, the value of its securities may decline. This would negatively affect performance. Poor performance may be caused by poor management decisions, competitive pressures, breakthroughs in technology, reliance on suppliers, labor problems or shortages, corporate restructurings, fraudulent disclosures, natural disasters or other events, conditions or factors.

Market Risk refers to the possibility that the market values of securities or other investments will fall, sometimes rapidly or unpredictably, or fail to rise. Security values may fall or fail to rise because of a variety of factors affecting (or the market's perception of) individual companies (e.g., an unfavorable earnings report), industries or sectors, or the market as a whole, reducing the value of an investment. Accordingly, an investment could lose money over short or even long periods. The market values of securities also can be affected by changes or perceived changes in U.S. or foreign economies and financial markets, and the liquidity of these securities, among other factors. In general, equity securities tend to have greater price volatility than debt securities. In addition, common stock prices may be sensitive to rising interest rates, as the cost of capital rises and borrowing costs increase.

Threadneedle Investments Equity Strategies	Primary Methods of Analysis	Material Risks
Threadneedle Global Equity strategies	<ul style="list-style-type: none"> • Integrated approach to equity research that incorporates regional analyses, a global sector strategy, and stock specific perspectives • Conducting detailed research on companies in a consistent strategic and macroeconomic framework • Looking for catalysts of change and identifying the factors driving markets, which will vary over economic and market cycles • Implementing rigorous risk control processes that seek to ensure that the risk and return characteristics of the Portfolio's portfolio are consistent with established portfolio management parameters • Constructs the portfolio using commonly held stocks which represents the portfolio management team's ideas and highest convictions 	Active Management Risk Derivatives Risk ETF Risk Risks Of Foreign/Emerging Markets Investing Geographic Concentration Risk Currency Risk
Threadneedle Global Equity Income strategies	<ul style="list-style-type: none"> • Integrated approach to equity research that incorporates regional analyses, a global sector strategy, and stock specific perspectives • Conducting detailed research on companies across the capitalization spectrum (large-, mid- and small-cap companies) in a consistent strategic and macroeconomic framework • Looking for catalysts of change in making and identifying the factors driving markets, which will vary over economic and market cycles • Implementing rigorous risk control processes that are designed to ensure that the risk and return characteristics of the Portfolio's portfolio are consistent with established portfolio management parameters 	Active Management Risk Derivatives Risk - Forward Foreign Currency Contracts Risks Of Foreign/Emerging Markets Investing Geographic Concentration Risk Sector Risk Small And Mid-Sized Company Risk
Threadneedle Global Extended Alpha strategies	<ul style="list-style-type: none"> • Integrated approach to equity research that incorporates regional analyses, a global sector strategy, and stock specific perspectives • Conducting detailed research on companies in a consistent strategic and macroeconomic framework • Seeks multiple sources of enhancing alpha and is not rigidly 	Active Management Risk Counterparty Risk Derivatives Risk ETF Risk Risks Of Foreign/Emerging Markets Investing

	<p>driven by a focus on solely securities that may be described as 'growth' or 'value' which Threadneedle Investments believes increases the chances of out-performance across the investment cycle and potentially maximizes the benefits of diversification</p> <ul style="list-style-type: none"> • Constructs a Global Team list of commonly held stocks that is updated regularly. The majority of the Portfolio's long positions (including the additional long positions) will be invested in stocks on the list of commonly held stocks. • Discretionary holdings (long and short positions) are selected by the portfolio management team based on the same fundamental criteria (investment approach) used to generate the list of commonly held stocks 	<p>Geographic Concentration Risk Leverage Risk Short Selling Risk Small And Mid-Sized Company Risk</p>
Threadneedle International Equity strategies	<ul style="list-style-type: none"> • Integrated approach to equity research that incorporates regional analyses, an international sector strategy, and stock specific perspectives • Conducting detailed research on companies in a consistent strategic and macroeconomic framework • Looking for catalysts of change and identifying the factors driving markets, which will vary over economic and market cycles • Implementing rigorous risk control processes that seek to ensure that the risk and return characteristics of the Portfolio's portfolio are consistent with established portfolio management parameters • Determines the allocation of the Portfolio's assets among various regions through asset allocation and regional strategy meetings • Using extensive research, constructs the portfolio using the portfolio management team's ideas and highest convictions 	<p>Active Management Risk Derivatives Risk - Forward Foreign Currency Contracts Risks Of Foreign/Emerging Markets Investing Geographic Concentration Risk Small And Mid-Sized Company Risk</p>
Threadneedle European Equity strategies	<ul style="list-style-type: none"> • Constructs the portfolio by selecting what it considers to be the best stocks in each sector and region • Thoroughly analysing a stock, the Portfolio's portfolio managers and analysts decide whether to recommend it as a "conviction buy" (or sell) on the basis of its potential value to the Portfolio • Conducts fundamental analysis, and consider the analysts' recommendations alongside their own views on the market and thematic ideas • Portfolio managers are not tied to any one valuation methodology, or screen, or factor, they can pick a diverse range of stocks for the portfolio 	<p>Active Management Risk Derivatives Risk - Forward Foreign Currency Contracts Risks Of Foreign/Emerging Markets Investing Geographic Concentration Risk Small And Mid-Sized Company Risk</p>
Threadneedle Emerging Market Equity strategies	<ul style="list-style-type: none"> • Integrated approach to equity research that incorporates regional analyses, a global sector strategy, and stock specific perspectives • Detailed research on companies in a consistent strategic and macroeconomic framework • Looking for catalysts of change and identifying the factors driving markets, which will vary over economic and market cycles • Implementing rigorous risk control processes that seek to ensure that the risk and return characteristics of the Portfolio's portfolio are consistent with established portfolio management parameters • Selecting what it considers to be the best stocks in each industry sector, based on return on invested capital analysis, growth and valuation • Sector exposure generally reflects the global macroeconomic environment, the outlook for each sector and the relative valuation of the stocks among the sectors • Identify those stocks which it believes are most likely to produce high returns on capital in the future and which it expects should consequently deliver the best returns for investors 	<p>Active Management Risk Asia Pacific Region Risk Risks Of Foreign/Emerging Markets Investing Geographic Concentration Risk Sector Risk Small And Mid-Sized Company Risk</p>
Threadneedle Asia Pacific (ex Japan) Equity	<ul style="list-style-type: none"> • Integrated research process which combines a bottom-up approach with macroeconomic considerations 	<p>Active Management Risk Asia Pacific Region Risk</p>

strategies	<ul style="list-style-type: none"> Invest primarily in the stocks on the list of commonly held stocks Select other holdings based on the same criteria used to generate the list of commonly held stocks 	Risks Of Foreign/Emerging Markets Investing Geographic Concentration Risk Sector Risk Risks of Foreign/Emerging Markets Investing Small And Mid-Sized Company Risk
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Threadneedle Investments Fixed Income Strategies	Primary Methods of Analysis	Material Risks
Threadneedle Fixed Income Government strategies	<ul style="list-style-type: none"> Team driven approach drawing together the expertise of portfolio managers and analysts to evolve a team strategy for investment, across fixed income and at the asset class level Close interaction with equity colleagues, global economics meeting debates and sets our central case for economies Addresses each alpha source using fundamental, structural and valuation analysis Fundamental macro-economic analysis, with structural and valuation analysis on interest rates, government bonds and currencies, from Threadneedle Investments' Government Bond Scorecard which drives our duration, curve and currency views and provides top-down macro input into views on asset class markets and individual bond issuers Asset class allocation – views on asset classes using fundamental, structural and valuation drivers help determine allocation between government bond and credit risk Portfolio construction process reviews consistency and appropriateness of views against strategy, risk budgets and portfolio objectives 	Active Management Risk Derivatives Risk Currency Risk Interest rate risk Inflation risk
Threadneedle Fixed Income Investment Grade Credit strategies	<ul style="list-style-type: none"> Team driven approach drawing together the expertise of portfolio managers and analysts to evolve a team strategy for investment across fixed income and at asset class level Close interaction with equity colleagues, global industry sector meetings, shared company meetings, research and intelligence Fundamental macro-economic analysis, with structural and valuation analysis on interest rates, government bonds and currencies, from Threadneedle Investments' Government Bond Scorecard Asset class allocation – views on asset classes using fundamental, structural and valuation drivers Credit positioning strategy – application of 'Credit Grids' - by industry sector and credit rating backed by investment analysis Portfolio construction process reviews consistency and appropriateness of views against strategy, risk budgets and portfolio objectives 	Active Management Risk Derivatives Risk Currency Risk Interest rate risk Inflation risk
Threadneedle Emerging Market Macro/Fixed Income strategies	<ul style="list-style-type: none"> Team driven approach drawing together the expertise of portfolio managers and analysts to evolve a team strategy for investment, across fixed income and at the asset class level in particular with Threadneedle Investment' government bond and commodities teams Close interaction with equity colleagues, economic views debated and shared with emerging market equities specialists Fundamental macro-economic analysis, with structural and 	Active Management Risk Derivatives Risk - Forward Foreign Currency Contracts Risks Of Foreign/Emerging Markets Investing Geographic Concentration Risk Leverage Risk

	<p>valuation analysis on interest rates, government bonds and currencies, from Threadneedle Investments' Government Bond Scorecard</p> <ul style="list-style-type: none"> • Country and bond selection based on fundamental macro economic and political analysis, relative value analysis and technical/structural analysis • Portfolio construction process reviews consistency and appropriateness of views against strategy, risk budgets and portfolio objectives 	Short Selling Risk
Threadneedle High Yield Bond strategies	<ul style="list-style-type: none"> • Team driven approach drawing together the expertise of portfolio managers and analysts to evolve a team strategy for investment, across fixed income and at the asset class level • Close interaction with equity colleagues, global industry sector meetings; shared company meetings, research and intelligence • Fundamental macro-economic analysis, with structural and valuation analysis on interest rates, government bonds and currencies, from Threadneedle Investments' Government Bond Scorecard • Asset class allocation – views on asset classes using fundamental, structural and valuation drivers • Credit positioning – views formed from: detailed bottom up company and bond analysis; sector analysis, and; relative and absolute value analysis. Views updated through dynamic monitoring • Portfolio construction process reviews consistency and appropriateness of views against strategy, risk budgets and portfolio objectives • Credit specific and “bottom up” alpha sources are the more relevant for high yield investing 	<p>Active Management Risk</p> <p>Derivatives Risk - Forward</p> <p>Foreign Currency Contracts</p> <p>Currency Risk</p> <p>Interest rate risk</p> <p>Inflation risk</p>
Threadneedle Investments ABS strategies	<ul style="list-style-type: none"> • Top-down asset allocation and bottom-up analysis to identify those securities that are attractive relative to their sector in terms of underlying collateral, expected cash flows and capital structure 	<p>Active Management Risk</p> <p>Currency Risk</p> <p>Interest rate risk</p> <p>Inflation risk</p>
Threadneedle Investments Commodities strategies	<ul style="list-style-type: none"> • Macro-economic analysis using input from, economic research, investment themes, asset allocation process and Government Desk Weekly Analysis • Assessment and views of individual markets, assessing fundamentals, seasonal, technicals, structure and liquidity. • Portfolio construction through assessment of allocations and weightings, positions on curve and relative value 	<p>Active Management Risk</p> <p>Counterparty Risk</p> <p>Derivatives Risk</p> <p>ETF Risk</p> <p>Risks Of Foreign/Emerging Markets Investing</p> <p>Geographic Concentration Risk</p> <p>Leverage Risk</p> <p>Sector Risk</p> <p>Short Selling Risk</p>

DISCIPLINARY INFORMATION

Where required, we provide disclosure regarding certain disciplinary matters in Part 1A of our Form ADV.

Ameriprise Financial, Inc. and certain of its affiliates, including us, have been involved in various legal, arbitration and/or regulatory matters concerning their respective business activities. These matters include routine litigation, class actions, and regulatory or governmental agency examinations and investigations. As a matter of policy, we do not typically provide copies of letters or responses stemming from regulatory or governmental examinations or investigations, or publish information relating to ongoing exams, investigations or litigation. However, upon request of a prospective or current client, we may communicate the results of completed exams, investigations or litigation or the status of ongoing matters.

To the best of our knowledge, neither we nor Ameriprise Financial, nor any of our affiliates, is currently the subject of any pending legal, arbitration, regulatory or other governmental matters that are likely to have a material adverse effect on Ameriprise Financial's financial condition or our ability to meet our contractual commitments to clients. Ameriprise Financial is required to make 10Q, 10-K and, as necessary, 8-K filings with the Securities and Exchange Commission on legal and regulatory matters that relate to Ameriprise Financial and its affiliates. Copies of these filings may be obtained by accessing the SEC website at www.sec.gov.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

TINTL is authorized in the UK by the FCA to provide various investment management activities to Institutional clients. Further details may be found here:

<http://www.fsa.gov.uk/register/firmBasicDetails.do?sid=59648>

TINTL has a presence in Australia, which manages investments for Institutional clients under an ASIC individual relief exemption.

TINTL is registered as a Commodity Trading Advisor with the US Commodity Futures Trading Commission. A Management Person is registered as an Associated Person with the CFTC.

Neither TINTL nor any of its Management Persons are registered or have an application pending to register as a Futures Commission Merchant or Commodity Pool Operator or an associated person of the foregoing entities.

Management Persons

The following is the education and business background of our Management Persons, who may also be officers or directors of other Threadneedle Investments' companies.

Threadneedle Investments' principal governing body is Threadneedle Asset Management Holdings Sàrl (TAMHS), a Luxembourg registered company. TAMHL has overall accountability for the Threadneedle Investments group. It delegates responsibility for non-strategic matters to the Threadneedle Executive.

Threadneedle Asset Management Holdings Sàrl (TAMHS)

Walter Berman:

Walter is the Executive Vice President and Chief Financial Officer of Ameriprise Financial. He is also a director of TAMHS. He joined American Express, the former parent company of Ameriprise Financial, in 1965 and served until 1996 in various positions, including senior vice president and treasurer of American Express Travel Related Services (TRS), chief financial officer of American Express International, chief financial officer of TRS and American Express treasurer. He left the company in 1996 and held senior financial positions at other major companies, including treasurer of IBM. He returned to the company in 2001. Walter earned a degree in accounting from Brooklyn College.

John C. Juneke:

John is Executive Vice President and General Counsel of Ameriprise Financial, Inc. He is also a director of TAMHS and heads the legal and compliance departments of Ameriprise Financial Inc. which consist of more than 400 business professionals responsible for managing legal and regulatory risks of its businesses. He is also responsible for the firm's corporate governance, security and aviation units.

John has more than 30 years of experience providing counsel for the financial services industry, the majority of those years with Ameriprise Financial and American Express. John served for nearly 10 years as the deputy general counsel of American Express Travel Related Services (TRS) where he was primarily responsible for the groups that supported the international payment and consumer financial services businesses of American Express. Prior to his role with Travel Related Services, John was the general counsel of American Express Ltd., a position he held from 1986 to May of 1990. He is a graduate of Yale University and the University of Virginia School of Law.

Herschel Post:

Herschel Post is a non-executive director of TAMHS and Chairman of the TAMHS Audit Committee.

Herschel is a graduate of Yale University (A.B), Harvard Law School (LLB) and Oxford University (B.A) (Rhodes Scholar) and a post graduate of Oxford University.

He started his career in 1966 with a major Wall Street law firm before moving to Morgan Guaranty Trust Company as Vice President in 1974, becoming Vice President of JP Morgan Investment Management in London four years later. In 1984 Herschel became President of Lehman Brothers Global Asset Management before becoming Chief Operating Officer of Lehman Brothers in 1990. In 1995 he both joined Coutts & Co Group as Chief Operating Officer and Deputy Chairman. In 2000 Herschel joined Christie's International plc. He has also been Deputy Chairman of the London Stock Exchange

Herschel is a Non-Executive Director of Investors Capital Trust plc. as well as a director of The United Bank of Kuwait and director Emeritus of Euro-Clear Clearance System.

William F. "Ted" Truscott:

Chief Executive Officer – Global Asset Management of Ameriprise Financial and President and Chairman of the Board of Columbia Management Investment Advisers (CMIA). He is also CEO, Global Asset Management and a director of TAMHS.

Ted also serves as the CEO of Columbia Threadneedle Investments, the global brand representing the combined global asset management capabilities of the Columbia and Threadneedle group of companies. In this role he is responsible for the overall management the group's retail, institutional and owned asset portfolios, including the Columbia and Threadneedle families of mutual funds, collective funds, institutional and retail separate accounts, and alternative investments. Based in Boston, the Columbia group of companies has investment operations in key U.S. locations, including Minneapolis, New York, Chicago, Portland, Oregon and Menlo Park, California. Threadneedle Investments, headquartered in London, is an international investment manager with a presence in 17 countries across the globe.

Before joining the company in August 2001, Mr. Truscott was chief investment officer with Zurich Scudder Investments, Americas, and managing director — Zurich Scudder Investments. He serves on several boards across the Columbia, Threadneedle and Ameriprise businesses and is also on the Board of Governors of Investment Company Institute (ICI). He earned a bachelor's degree in East Asian studies from Middlebury College and a master's of business administration in Finance from New York University, Stern School of Business.

Marie-Jeanne Chevremont-Lorenzini:

Marie-Jeanne Chèvremont-Lorenzini is a non-executive director of TAMHS. She has had a long and illustrious career in Luxembourg financial services, working for PricewaterhouseCoopers and Arendt & Medernach as well as being a key adviser to the Luxembourg regulators. Mme Chèvremont-Lorenzini is also a member of the Gender Advisory Council Global and the Eurofirms board and has been Chairman of the Supervisory Board of the Reims Management School since 2005.

Claude Kremer

Claude is a non-executive director of TAMHS. His whole professional career has been devoted to the global fund and asset management industry advising clients on the setting up of Luxembourg investment and pension funds and providing legal support to asset managers, depositaries and other asset servicers with regard to the structuring and development of their businesses in Luxembourg.

A member of the Luxembourg Bar since 1982, Claude holds Master's degrees in law and history from the Université Pierre Mendès France de Grenoble (France) and a Master's degree in accounting and finance from the London School of Economics and Political Science (U.K.).

From June 2011 until June 2013, Claude served as president of the European Fund and Asset Management Association (EFAMA). From May 2007 until June 2011, he was chairman of the Association of the Luxembourg Fund Industry (ALFI). In 2005, he was a member of the EU Commission expert group on market efficiency. Claude is also a member of several advisory committees to the Commission for the Supervision of the Luxembourg Financial Sector (CSSF).

Claude Kremer is a founding partner of Arendt & Medernach and head of the firm's investment management business unit.

Campbell Fleming:

Campbell Fleming is Chief Executive Officer (CEO) at Threadneedle Investments and an executive director of TAMHS and TINTL and Global Chief Operations Officer for the Global Asset Management business. Campbell became Global Chief Operations Officer in April 2014 and CEO in March 2013. Campbell joined Threadneedle Investments as Head of Distribution in 2009. In this role he was responsible for directing the company's global sales, marketing and product development efforts and is also a member of the Threadneedle Executive. Prior to joining Threadneedle Investments, Campbell was Managing Director of JP Morgan Asset Management's UK business. He had been with the group for 12 years, first joining Robert Fleming Asset Management in 1997 and staying with the firm through a period of significant corporate activity. He has also held a variety of regulatory and legal roles in the UK and Australia. Campbell gained a Diploma in Law at the Barristers & Solicitors Admission Board in conjunction with the University of Sydney Law School in 1991. He has also been admitted to the Supreme Courts of England & Wales and New South Wales and is a member of the Institute of Directors.

Mark Burgess:

Chief Investment Officer at Threadneedle Investments and executive director of TAMHS and TINTL. Mark Burgess joined Threadneedle Investments in November 2010 and took over as the company's Chief Investment Officer at the end of the year. He also chairs the company's Asset Allocation Committee and a member of the Threadneedle Executive. Prior to joining Threadneedle Investments, Mark was Head of Equities at Legal & General Investment management, where he developed the company's strategy of focusing on high alpha, high conviction investing. This strategy led to a turnaround in investment performance and the retail funds winning a number of awards. He also oversaw the introduction of a number of UCITS strategies. Before joining LGIM, Mark held senior roles at Morgan Grenfell Asset Management and Deutsche Asset Management. He gained a degree in Economics and Philosophy from Keele University and is an associate of the Institute of Investment Management and Research.

Ann Roughead:

Ann is a non-executive director of TAMHS. Ann has over 30 years' financial services experience, holding a number of senior asset management roles including CEO at Liverpool Victoria Asset Management and COO at Citigroup Private Bank, as well as senior investments and product development positions at, Citigroup, JP Morgan Fleming Asset Management and WestLB Asset Management. She has also extensive experience of the corporate finance sector, working at RMD Corporate Finance, Peregrine Securities and Baring Brothers between 1994 and 1998. Prior to this, she worked as a banking lawyer for Standard Chartered Merchant Bank & Hill Samuel between 1985 and 1994 and as a litigator from 1981-1985.

Since 2012, Ann has worked as a freelance consultant for a number of clients including BNP Paribas and the Tax Incentive & Savings Association. She is a qualified solicitor and is a Member of the Law Society and a Fellow of the Institute of Legal Executives.

Threadneedle Investments Executive

In addition to Campbell Fleming and Mark Burgess, the other members of the Threadneedle Executive are:

Tim Gillbanks:

Chief Financial and Operations Officer at Threadneedle Investments.

Tim Gillbanks is the Chief Financial and Operations Officer since 2011. Tim Gillbanks joined Threadneedle Investments in 2004 and became Finance Director in 2005. He is responsible for maintaining financial control of the business and its assets and to plan and manage profitability. Prior to joining Threadneedle Investments, Tim was a Director at PricewaterhouseCoopers, where he provided consulting services to the investment management industry. He has also worked in both Thailand and the US. Tim holds a B Eng (Hons) in Mechanical Engineering from Bristol University and is a member of the Institute of Chartered Accountants in England and Wales (ICAEW).

Don Jordison:

Don is Managing Director of Threadneedle Property Investments - the UK property investment arm of Threadneedle Investments, and a member of the Threadneedle Executive. He is in charge of or manages a number of Threadneedle's Property funds. Don began his career in 1982 with Prudential. He joined Allied Dunbar Property Funds as a trainee property manager in 1984 and became an associate member of the Royal Institution of Chartered Surveyors. In 1991 he was promoted to director responsible for the Zurich Assurance Ltd AL Property Fund. Don graduated in 1984 with a first class honours degree in Urban Estates Surveying from Nottingham Trent University. In 1988 he obtained an MBA from City University London.

Raymundo Yu:

Raymundo Yu joined Threadneedle Investments in the newly created role of Asia Pacific Chairman in November 2010, based in Singapore, and also became a member of the Threadneedle Executive at the same time. Raymundo is a senior international financial services executive with almost 30 years' experience gained working across Asia, the Middle East, Europe, the UK and the US.

Richard Moore

Richard Moore is the Regional HR Lead for Columbia Threadneedle Investments, EMEA. He reports to Campbell Fleming, CEO Columbia Threadneedle Investments, EMEA, and Paul Sakry, Senior Vice President Human Resources for Ameriprise. He is a member of the EMEA Business Management Committee and is responsible for delivery across the spectrum of HR Advisory and Support services to the business. His career in Financial Services has included leadership roles in Resourcing and HR Business Partnering, regionally and globally, spanning Investment & Corporate Banking, Private Banking, Wealth and Asset Management. He has worked at UBS, Citi and Barclays prior to joining Columbia Threadneedle Investments. Richard is a former British Army Officer and graduate of the Royal Military Academy Sandhurst.

Other Management Persons at Threadneedle Investments

Abi Aileru-Thomas:

Head of Legal at Threadneedle Investments.

Abi Thomas joined Threadneedle Investments in January 2009 as a Head of Legal. She holds a Master of Law, LL.M from Sidney Sussex College, University of Cambridge (1990) and is a member of the Law Society and the International Bar Association. Prior to joining Threadneedle Investments, Mrs. Thomas worked for Russell Investments (2000 – 2008), where she held the role of Deputy General Counsel. She has also worked for PriceWaterhouseCoopers Legal (1997 – 2000) as an Assistant Solicitor and Slaughter and May (1991 – 1995) as Trainee/Assistant Solicitor.

Adrian Smart:

Chief Compliance Officer at Threadneedle Investments.

Adrian Smart joined Threadneedle Investments in December 2011. Adrian was appointed Chief Compliance Officer for TINTL on 21st June 2012. He is responsible for regulatory compliance and as an FCA Approved Person (CF 10 and CF 11) Adrian supervises money laundering processes and compliance oversight. He started his career in the financial industry in 1986. Prior to joining Threadneedle Investments, Adrian was a Compliance Director at Legal & General Investment Management since 2003. Prior to this he had a similar role at Newton/Mellon Europe. He has worked for a number of years as a fund manager, a regulator (IMRO) and as a regulatory consultant with Deloitte. Adrian holds an MA in Geography and a Postgraduate Certificate in Education from Cambridge University.

Leigh Harrison:

Leigh Harrison is Threadneedle Investments' Head of UK Equities and is responsible for the UK equity income products. He co-manages the Threadneedle UK Equity Alpha Income Fund and the Threadneedle UK Equity Income Fund. Prior to joining Threadneedle Investments, Leigh was a director and senior portfolio manager for UK equities at Credit Suisse Asset Management. He has also held the positions of associate director at Rowan Dartington and director at Hill Samuel Investment Management, where he focused on UK smaller company funds. Leigh holds a BA (Hons) from Nottingham University and an MSc from University College, London. He is also a Member of the Securities Institute.

Jim Cielinski:

Jim Cielinski joined Threadneedle Investments in 2010 as Head of Fixed Income. In this role he is responsible for the overall management of the fixed income business, including investment process, product development and investment strategy. He is also a key participant in Threadneedle Investments' asset allocation process. Prior to joining Threadneedle Investments, Jim spent 12 years at Goldman Sachs, leaving as Head of Global Credit – Investment Grade. He has also held senior investment roles at Utah Retirement Systems and Brown Brothers Harriman. Jim graduated from the University of Utah in 1983 with a BSc in Finance and gained an MBA from New York University in 1988. He is also a Chartered Financial Analyst and a member of the UK Society of Securities Analysts.

Alex Lyle:

Alex Lyle is Threadneedle Investments' head of managed funds. In 1980, he joined Hambros Bank's unit trust division, which was acquired by Allied Dunbar in 1981 and subsequently became part of Threadneedle Investments in 1994. He managed UK equity portfolios for more than 20 years. He was appointed joint head of Threadneedle Investments' Pan European equity team in December 1999 and then head of managed funds in May 2003. In this role he takes responsibility for a large number of our managed funds, is a member of the asset allocation committee and is a key investment contact between Threadneedle Investments and some of our major clients.

Rod Tedstone:

Rod Tedstone joined Threadneedle Investments in 1994 and has held a number of positions including Finance Manager, Deputy Group Finance Director and COO for MM Asset Management Limited. In 2006 he was appointed Executive Director, Investments and is responsible for all front office related operational activities including the interfaces with the back office departments, primarily Finance, HR and IT. Rod started his career with Allied Dunbar as a Management Accountant before moving to Bristol & West as Head of Branch and Bank Control. Rod holds a BA (Hons) in Accounting and Computing from the University of Ulster and is also an Associate of the Chartered Institute of Management Accountants.

Keith Haywood:

Keith Haywood joined Threadneedle Investments in June 2008 as Head of Internal Audit. Keith is a qualified Chartered Accountant who graduated with an Honours Bachelor of Accounting Science from the University of South Africa. Over the past fourteen years Keith has focused on the Financial Services industry, primarily within asset management. Prior to joining Threadneedle Investments he was Head of Internal Audit for Barings Asset Management and prior to that was responsible for the management of the Schroder Asset Management business audit team. In addition to his various roles in audit he has performed other project management and system implementation roles.

Niall Mowlds:

Niall Mowlds is Head of Service Management at Threadneedle Investments. His key responsibilities include the management and oversight of the company's key outsourcing relationships and the management of the middle office derivative function. Prior to joining Threadneedle Investments, Niall worked for PricewaterhouseCoopers for 12 years, leaving as a Director. He has a Masters of Commerce degree from University College Dublin and is a member of the Irish equivalent of the Institute of Chartered Accountants.

Susan McCartney:

Susan McCartney joined Threadneedle Investments in 2007 as Head of Reporting and Information Services. Her key responsibilities are in the management of the performance measurement and client reporting areas as well as the data feeds that enable these functions. In a City career spanning more than 20 years, Susan has held a number of middle office and performance measurement roles for companies including ISIS, Friends Ivory & Sime and Prudential. She is an FCA Registered Representative and a member of the Securities & Investment Institute.

Multiple Roles Played by Certain Officers and Employees

Some of TINTL's, or TINTL's affiliates, officers and employees are also officers or employees of TINTL's parent company or one or more other affiliates that may directly or indirectly benefit from TINTL's client relationships or advisory activities. In these circumstances, the potential for a conflict of interest exists between the obligations to TINTL's clients and the incentive to make recommendations, or take actions, that benefit one or more of its other affiliates

Business Activities and Affiliations

As part of the Ameriprise Financial organization, we receive general corporate services, including administrative support, equipment and facilities from Ameriprise Financial and certain of its wholly-owned subsidiaries, some of which are domiciled in foreign jurisdictions. For example, Ameriprise Financial Inc. assists us in meeting various US regulatory requirements. Certain employees may also receive certain employee benefits from Ameriprise Financial.

TINTL and its affiliates may also invest the assets of the client accounts we respectively manage in publicly traded securities issued by companies that have material relationships with TINTL or an affiliate. In such circumstances the potential for a conflict of interest exists between TINTL's obligation to seek the most suitable investments for its clients and the perception that TINTL has an incentive to assist in developing the partnership or the success of its affiliate. In addition, TINTL or its affiliates may have business arrangements with a third party that may influence TINTL's decision to retain that third party to assist in providing services to its clients. In these situations, TINTL considers its obligations to its clients and seeks to take action that is in the best interest of its clients. We mitigate this conflict because our employees and those of our affiliates are subject to a Code of

Ethics and various policies that require these employees to act in the best interests of our clients and to put the needs of our clients first at all times.

As described below and in “Global Asset Management”, above, many of our affiliates engage in activities that are material to our advisory business or to our clients. We may utilize, suggest or recommend the services of these affiliated entities. This practice may give our personnel an incentive to make recommendations, or take actions, that benefit the affiliated entity or put the affiliated entity’s interests ahead of our clients’ needs. Our employees are subject to a Code of Ethics and various policies that require our employees to act in the best interests of our clients and to put the needs of our clients first at all times.

Broker-Dealers

TINTL is affiliated with Columbia Management Investment Distributions Inc., an SEC registered broker-dealer that serves as the principal underwriter and distributor of the Mutual Funds. Columbia Management Investment Distributors also serves as a placement agent or distributor of private and foreign funds managed by CMIA.

TINTL is also affiliated with Ameriprise Financial Services, Inc. (“AFSI”), an SEC-registered broker-dealer and investment adviser that is a wholly-owned subsidiary of Ameriprise Financial. Other third party broker dealers and AFSI distribute the Mutual Funds sub-advised by TINTL.

TINTL does not execute any transactions for its clients through affiliated broker-dealers.

Investment Companies

TINTL and CMIA have entered into certain agreements under which TINTL serves as investment sub-adviser to certain US registered investment companies which are managed by CMIA.

Other Investment Advisers and Municipal Advisors

TINTL is a sister company of Threadneedle Asset Management Limited (“TAML”), an investment adviser registered with the FCA. TINTL and TAML share all of their portfolio management and trading personnel as well as portfolio research and analysis.

TINTL is affiliated with Threadneedle Investment Services Limited and Threadneedle Unit Trust Manager Limited, both managers of the Threadneedle Investments range of UK-based collective investment schemes. Threadneedle Navigator ISA Manager Limited and Threadneedle Portfolio Services Limited (TPSL) provide tax efficient collective investment schemes wrappers for UK investors. TINTL is also affiliated with Threadneedle International Investments GmbH which conducts Threadneedle’s European distribution. TINTL is also affiliated with Threadneedle Management Luxembourg SA which is the management company for the Threadneedle (Lux) SICAV. Threadneedle (Lux) SICAV is an investment company with variable capital (Société d’investissement à capital variable (SICAV)) formed under the laws of the Grand Duchy of Luxembourg.

Additionally, TINTL is affiliated with CMIA and Columbia Wanger Asset Management, LLC, each SEC-registered investment advisers, and AFSI an SEC-registered investment adviser and municipal advisor, all subsidiaries of Ameriprise Financial.

Threadneedle Investments Singapore (Pte.) Limited (“TIS”), which is a wholly owned subsidiary of TAM Holdings, holds a capital markets services license for fund management under the Securities and Futures Act, Chapter 289 of Singapore (SFA) as well as a securities dealing license under the SFA. Pursuant to an arrangement that has been approved by the Monetary Authority of Singapore, TAML is permitted to provide fund management (discretionary investment management) services to accredited, expert and institutional clients in Singapore in accordance with the terms of the approval, and TIS is permitted to market such services on TAML’s behalf. Pursuant to its securities dealing license, TIS is also permitted to provide trading services to accounts for which it is not providing discretionary investment management services, including our accounts.

Insurance Companies

TINTL is affiliated with Threadneedle Pensions Limited (“TPEN”), a UK corporate authorized by the Prudential Regulation Authority and regulated by the FCA and the Prudential Regulation Authority. TPEN issues unit linked policies of insurance to exempt approved pension schemes and also provides investment advisory services.

TINTL is affiliated with Ameriprise Captive Insurance Company, RiverSource Life Insurance Company (“RiverSource Life”) and RiverSource Life Insurance Co of New York (“RiverSource Life NY”). RiverSource Distributors distributes the fixed and variable annuity and life insurance products issued by RiverSource Life and RiverSource Life NY through other broker-dealers, including AFS.

Futures Commission Merchant, Commodity Pool Operator or Commodity Trading Advisor

We trade commodity interests for certain client accounts which requires us to be registered with the CFTC as a CTA. Additionally, our Advisory Affiliate CMIA is also registered as a CTA, CPO and a swap firm and AFSI is registered with the CFTC as a CTA and has obtained membership with the NFA in connection with such registration.

Banking or Thrift Institutions

TINTL is also affiliated with Ameriprise Trust Company, a Minnesota-chartered trust company that serves as trustee and offers investment management and related services to collective funds and institutional separate accounts.

CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Code of Ethics/Personal Trading Rules and Procedures

We and certain of our affiliates have adopted a “Code of Ethics” designed to state standards of business conduct and to mitigate conflicts of interest for all our “Covered Persons” as they perform their respective roles and responsibilities, including when they engage in personal securities transactions. Covered Persons are persons who have access to our non-public client information, such as information about purchases or sales of portfolio securities for clients’ accounts, and may include employees of our affiliates and/or vendors. All Covered Persons are required to conduct all personal trades through designated broker-dealers unless an exception has been granted or in the case of Covered Persons at a non-U.S. affiliate (including but not limited to TAML and TINTL in the UK or TIS in Singapore), at a broker-dealer otherwise approved by such affiliate. Further, all Covered Persons must complete an annual certification form regarding their personal securities activities and provide additional information about personal trading activities and also comply with quarterly reporting requirements.

The specific provisions under the Code seek to ensure that clients’ interests are placed ahead of the interests of Covered Persons. Under the Code, Covered Persons must pre-clear investments in most types of securities, are restricted with respect to the timing of certain transactions and are prohibited from making certain transactions. The Code also contains short swing profit prohibitions applicable to all Covered Persons and trading black-out periods before and after client transactions applicable to all portfolio managers. These prohibitions are subject to limited exceptions.

The Code contains specific provisions relating to Fund shares, including a prohibition on direct or indirect market timing and, for Covered Persons, a 30-day holding period for Covered Funds subject to limited exceptions. Covered Funds are those funds for which we or an affiliate serves as an investment adviser or sub-adviser or for which an affiliate serves as principal underwriter.

We will provide a copy of the Code to any client or prospective client upon request. Clients may obtain a copy by writing to us at the address set forth on the cover of this Brochure or calling the phone number that appears on that page.

TINTL adheres to the Global Code of Ethics. Certain Advisory Affiliate employees who are Covered Persons may be subject to certain exceptions. The personal trades of such employees are monitored in accordance with the Code.

Products sold or managed by us in which we have a material financial interest

From time to time, we may invest assets in an account for the purpose of creating a track record that will later be used to market an investment style. The level of assets invested in such “incubator accounts” may be substantial. Since the goal of an incubator account is to create a marketable track record, we or an affiliate may increase asset levels in an incubator account to meet market expectations regarding assets under management.

When an incubator account’s investment style is brought to market and client assets are committed to that investment style, we may withdraw our assets from the incubator account, though we would attempt to do so without impairing our ability to effectively manage pursuant to the investment style. Where TINTL or its associated companies own more than 20% of a portfolio, we consider that we have a material interest (also known as “proprietary accounts”) except where such associated company investment is not held on a long-term basis or for the purpose of securing a contribution to its activities by the exercise of control or influence. Own accounts of the Advisory Affiliates will be determined in accordance with each respective entity’s policies and applicable law. In such circumstances we will not aggregate it and other clients’ orders when dealing, unless we are confident that there is no material disadvantage to third party clients.

When a particular portfolio needs to buy or sell securities due to periodic rebalancing or updating of an asset allocation portfolio, it may hold a large cash position. A large cash position (generated by selling securities or large inflows) could detract from the achievement of the portfolio’s investment objective in a period of rising market prices; conversely, a large cash position would reduce the portfolio’s magnitude of loss in the event of falling market prices and provide the portfolio with liquidity to make additional investments or to meet redemptions

In implementing specific investment decisions through different accounts and investment vehicles, the timing of the implementation of our advice may differ among the various accounts or investment vehicles. Differences among the accounts and investment vehicles that impact this timing include, among others, whether the account is managed on an advisory basis and whether a third party is involved in the implementation of the advice. Differences in timing may result in one client receiving better or worse investment performance than a client receiving similar advice through a different account, program or investment vehicle. The timing and sequencing of trades executed for discretionary accounts in these programs, as well as underlying portfolios, is influenced by many factors such as the size of an asset allocation shift, the related cash flows in and out of the underlying portfolios, market conditions and the potentially differing views of those managing underlying Mutual Funds. Our investment platforms that manage accounts in these programs may also manage accounts for a variety of clients, including other institutional clients. In these situations, we seek to provide a process that is designed to prevent an unfair advantage in the timing and sequencing of trades for all client accounts.

Material Non-Public Information

We and our employees may, from time to time, come into possession of material, non-public information which, if disclosed, might affect an investor’s decision to buy, sell or hold a security. The Code encompasses the “Insider Trading Policy” which prohibits the misuse of material non-public information by us, our employees [and those of our affiliates who may provide certain services to our accounts]. Those who possess material non-public information must not (a) use that information to obtain profits, mitigate losses or otherwise secure benefits for us, any of our affiliates or clients, themselves or others, (b) engage in transactions or make recommendations on the basis of that information, or (c) disclose that information to others (except to Legal and Compliance personnel who assist in administering the Insider Trading Policy). In addition, we have adopted procedures

designed to restrict trading in an issuers' securities in situations where we or one of our employees[, or an employee of one of our affiliates,] possesses material non-public information regarding the issuer's securities. These prohibitions and restrictions on trading or sharing information may result in our not purchasing or selling securities for a client account or not fully communicating material investment ideas despite our view that a purchase, sale or communication would benefit client accounts. Losses could be incurred if we cannot close out a position. In certain situations where material non-public information is obtained, these procedures also allow for the creation of an "information wall" to contain information within a small group and avoid a firm-wide prohibition on trading or for operations purposes. However, our Legal and Compliance department may determine that an information wall is not appropriate under the circumstances and restrict trading across the entire firm.

Investing in securities for clients and personal security or corporate dealing.

TINTL and its affiliates may act as investment adviser or sub-adviser to numerous client accounts including the Mutual Funds. TINTL and its affiliates may give advice and take action with respect to any portfolios or accounts they manage, or for their own accounts, that may differ from action taken by them on behalf of other portfolios or accounts. TINTL and its affiliates are not obligated to recommend, buy or sell, or to refrain from recommending, buying or selling any security that they or their respective access persons, as defined by the Investment Company Act of 1940 ("1940 Act"), may buy or sell for their own accounts or for the accounts of any other client. TINTL and its affiliates are not obligated to refrain from investing in securities held by portfolios or accounts that they manage, except to the extent that such investments violate the "Personal Dealing Code" ("Code"). In summary, where there is an open or pending order or deal, the Code does not permit personal or corporate dealing until those orders are completed. Neither TINTL nor TAML deal in securities for their own account.

TINTL does not exercise its management discretion to cause its clients to engage in principal transactions with, or agency cross transactions through, affiliated broker-dealers.

TINTL trades portfolio securities on the TINTL trading desk and has adopted trading procedures with TAML ("Threadneedle Investments Procedures"). TINTL has also adopted Information Barrier Procedures under which proposed or pending trades of TINTL will not be disclosed by its personnel to personnel of its affiliate CMIA, which serves as adviser to the Columbia Funds sub advised by TINTL, prior to the trade being executed, except for legal and compliance personnel to the extent necessary to fulfil their functions or in accordance with any joint portfolio management or other services being provided, as stated in "Global Asset Management" above. Post-trade information will be available to all appropriate accounting, compliance and legal personnel.

BROKERAGE PRACTICES

Investment or Brokerage Discretion

Generally, TINTL is retained with respect to its institutional account clients as well as its investment company clients on a discretionary basis. TINTL establishes guidelines with each client regarding management of the client's account. Within these guidelines, TINTL generally is authorized to make the following determinations in accordance with the client's specified investment objectives without client consultation or consent before a transaction is effected:

- Which securities to buy or sell;
- The total amount of securities to buy or sell;
- The broker or dealer through whom securities are bought or sold;
- The commission rates at which securities transactions for client accounts are effected, and
- The prices at which securities are to be bought or sold, which may include dealer spreads or mark-ups and transaction costs.

However, TINTL may accept advisory accounts with limited discretion or where investments are client-directed pursuant to the management agreement. In particular, TINTL accepts responsibility for sub-advising accounts

managed by CMIA on a discretionary basis, but has no authority to vote proxies associated with the securities that it purchases for such accounts. See “Voting Client Securities.”

Ameriprise Financial issues various securities from time to time, including common stock. It is the policy of TINTL that no securities issued by Ameriprise Financial will be purchased for client accounts where TINTL exercises investment discretion, unless the client account is passively managed in an effort to match the returns of an index in which an Ameriprise Financial security is included. Therefore, a client account that is actively managed to an index (e.g. Russell Mid Cap Value Index) will not hold any Ameriprise Financial securities even if such securities are included in the index.

Best Execution

The section described below details TINTL’s Order Execution Policy (“Best Execution Policy”).

Threadneedle Investments’ policy regarding best execution applies to both:

- i. receiving and transmitting client orders; and
- ii. executing orders on a client’s behalf

Threadneedle Investments ultimately retains responsibility in terms of owing its clients a duty to seek best execution. However, in many circumstances Threadneedle Investments (and its underlying clients) can gain additional comfort in the knowledge that it too will benefit from the duty of best execution which entities (i.e. EU regulated brokers) will owe when Threadneedle Investments passes orders to those entities for execution.

Where orders are placed with brokers and that entity therefore executes orders “on a client’s (Threadneedle Investments’) behalf”, that entity will be judged to be performing a service whereby they either:-

- execute an order by dealing as agent;
- execute an order by dealing as risk-less principal on behalf of a client; and
- “work” an order on a client’s behalf.

Equity Orders

Threadneedle Investments endeavours to seek best execution on an equal basis for all clients.

Execution Factors

Threadneedle Investments endeavours to provide all of our clients “best execution” on an equal basis.

There are five main factors (Price, Liquidity, Cost, Broker selection, Settlement) that Threadneedle may take into consideration with each transaction or group of transactions. There are also various sub-factors within each which will lead to each of the five criteria having a lesser or greater influence over the decisions to achieve the best execution.

The five criteria are listed below with their corresponding influencing factors.

1. Price – This will generally be the leading factor for most orders.

2. Other factors:

- Size
- Nature
- Type and characteristics of the instrument
- Likelihood of execution
- Information available (news, results, characteristics of the client etc.).

3. Liquidity – This can at times lead over price when there is a need to utilise the availability of natural liquidity in the market to achieve a meaningful position change within portfolios.

- Other factors
 - Use of risk capital by a broker
 - Use of Alternative Trading Systems (ATS) or Multilateral Trading Facilities (MTFs)

4. Cost - Awareness of lower cost trading venues for each transaction (i.e. price inclusive of additional charges, such as commission).

5. Broker selection –

- Natural liquidity
- Other factors
 - Expertise
 - Access to suitable trading venues
 - Provision of capital by a broker

6. Settlement – Mindful of any potential issues regarding the execution venue or the executing broker.

Best Execution Monitoring

Threadneedle Investments will utilise a combination of internal and external analysis to facilitate the monitoring of equity transactions.

Execution Venues

The decision to use which venue or entity is dependent upon the various factors described above.

Our Best Execution Policy includes, for each Financial Instrument in which we execute orders on your behalf, those venues that we consider enable us to obtain on a consistent basis Best Execution. Those possible execution venues include, as appropriate for each product: regulated markets, multilateral trading facilities, systematic internalisers, market makers, and other liquidity providers.

We reserve the right to use any execution venues we deem appropriate in accordance with this Policy and may add or remove any execution venues from our approved list without notice. Threadneedle Investments' equity order routing process first checks for available market liquidity via the Liquidnet electronic crossing network. Then, taking into consideration the aforementioned execution factors, Threadneedle selects from its approved broker and counterparty list which venue to execute the order with.

Review

Threadneedle Investments will review its execution policy and procedures on at least an annual basis. Details of material changes to this policy will be made available to clients.

General terms of order handling

We are required under MiFID to execute client orders in a prompt and fair manner. We will execute aggregated orders sequentially in accordance with the time of their receipt unless otherwise instructed by the client, the interests of the client require otherwise, or the specifics of the order and the current market conditions make this impracticable.

This may involve merging client orders together with those of other Threadneedle Investments clients and may, as stated in "Global Asset Management" above, also include aggregated orders from its Advisory Affiliates. We

believe that overall the effect of aggregation should generally be of benefit to clients, although it remains possible that on occasions, this may work to a client's disadvantage in relation to a particular order. For example, this may include circumstances whereby trades not aggregated with those of other clients (e.g. because of specific client instruction to execute otherwise) may be executed at different times via a different venue, receive a different price, which may or may not be a more favourable price to those that are aggregated with other clients.

When an Advisory Affiliate performs advisory and related services for our accounts (including placing of orders) or we provide similar services for an Advisory Affiliate's accounts, orders for our client accounts and those of one or more of our Advisory Affiliates may be aggregated and allocated in accordance with our best execution obligations and as consistent with applicable law and client guidelines. In circumstances where orders are placed for our accounts and those of our Advisory Affiliates on a coordinated basis, it is possible that such aggregation will result in larger orders and decreased allocation opportunities available to our accounts, especially for less actively traded securities. It is also possible that orders may take longer to execute. We and our Advisory Affiliates have implemented policies and compliance controls to ensure that the aggregation and allocation of orders for our respective accounts with coordinated trading are executed in a fair and equitable manner consistent with applicable law.

Except as described above or in order to assure the continuation of services if necessary, orders on our trading desk are not shared with the trading desks of our Advisory Affiliates. As a result, it is possible that we and our Advisory Affiliates may trade in the same instrument at the same time, in the same or opposite direction or in different sequence.

Fixed Income Orders

Order Execution

We will take all reasonable steps to obtain the best possible result for our clients (as defined in the Markets in Financial Instruments Directive subject to a number of factors described below.

Best Execution Factors

The following factors are taken into account when executing a client order:

- Price;
- Size;
- Likelihood of execution and settlement; and
- Any other consideration relevant to a particular order.

Best Execution Criteria

Based on our experience and judgement and using any relevant market information available at the time of a particular trade, we will determine the relative importance of the above mentioned factors and consider the use of an execution venue.

Execution Venues

A decision is made to use an execution venue or trade by telephone based on the asset class and size of the trade. The following factors are taken into consideration in the evaluation of these venues:-

- Ability of execution venue to provide best price
- All direct and indirect costs of trading & settlement
- The applicability of the execution venue for different sizes of order
- Likelihood of execution
- Likely speed of execution

- Depth of liquidity
- Settlement & straight through processing (STP) arrangements
- Applicability to different types of order
- Other factors relating to particular asset classes

Factors which influence our use of these venues:-

- Ability to obtain simultaneous executable prices from multiple dealers
 - There are no transaction costs to clients
 - Range of reports available to demonstrate best execution
 - Range of STP facilities & automated links to organisations to assist in clearing & settlement
 - Audit trails for all electronically executed trades.

We reserve the right to use any execution venues we deem appropriate in accordance with this Policy and may add or remove any execution venues from our approved list without notice. Threadneedle fixed income order execution process takes into consideration the aforementioned execution factors, Depending upon those factors and the type of instrument being executed, Threadneedle Investments may route its order via electronic trading platforms including but not limited to Tradeweb and Bloomberg TSOX. Alternatively the order may be executed directly with a broker from its approved broker and counterparty list

General Terms of Order Handling

We are required to execute client orders in a prompt and fair manner. We will execute aggregated orders sequentially in accordance with the time of their receipt unless otherwise instructed by the client, the interests of the client require otherwise, or the specifics of the order and the current market conditions make this impracticable.

With regard to New Issues, we comply with a strict order allocation process, described below

Monitoring

We regularly monitor the effectiveness of our execution arrangements and policy and assess the efficiency of our Execution Venues.

Review

Our execution policy and procedures are reviewed on an annual basis and our clients will be notified of any material changes to these.

Money Market Instruments

The following factors are taken into account when executing a client order in money market instruments (“MMIs”):

- price;
- costs of transaction;
- speed of execution
- likelihood of execution and settlement; and
- size of the order;
- nature of the order;
- any other consideration relevant to a particular order (including credit rating of the counterparty to the transaction).

A list of venues (counterparties) is available on request.

Derivatives

Execution Factors

Foremost, the following factors are taken into account when executing a client order involving a derivative transaction:

- price;
- liquidity in the instrument concerned.

The list of counterparties used for transacting derivatives is typically subject to each specific client's arrangements.

Units in Collective Investment Schemes/Mutual Funds

Execution of units in collective investment schemes will be on a case by case basis subject to the type and nature of the client's portfolio. Typically this will be executed via the operator of the collective investment scheme/mutual fund.

Specific client instructions

When a client gives Threadneedle Investments a specific instruction as to the execution of an order, then that order will generally be executed in accordance with those specific instructions. Clients should therefore be aware that providing specific instructions will override Threadneedle Investments' obligations to execute client orders in accordance with this Policy.

Similarly, if a client gives a specific instruction for a portfolio where TINTL doesn't have full investment discretion, this may prevent us from obtaining the best possible result in accordance with our Policy.

Where Threadneedle Investments gives a specific instruction to an entity as to the execution of an order (for example, Direct Market Access (DMA) equity orders submitted via an electronic system), that order would be carried out by that entity (or broker) in accordance with the specific instructions and may not therefore follow the process indicated in the entity's own Policy. In such situations, Threadneedle Investments will be solely responsible for providing best execution to its own clients, and as a client of the Broker entity providing DMA may not have the benefit of those regulatory protections owed to it by that entity.

Dealing and Managing activity: Client Order Handling

Client Order Handling: Aggregation

Certain investments may be appropriate for more than one account including the accounts of any Advisory Affiliate for which we are providing dealing services. When one account buys or sells the same investment as another account, the purchase or sale of the securities or other instrument will be allocated in accordance with certain procedures designed to ensure the accounts are treated fairly and equitably. Under normal circumstances, We believe that aggregation of orders is in clients' best interest because: (1) aggregated orders reduce fixed cost or de minimise dealing expenses; (2) all aggregated accounts will be treated fairly and each account will bear no more than its pro rata expense in the aggregated transaction; and (3) simultaneous working of orders by multiple brokers is more likely to move the market (more apparent interest).

Generally, purchase and sale orders for the same security or other investment at the same time will be combined and the transactions allocated as to amount and price in a manner considered equitable so that each account receives, to the extent practicable, the average price of such transactions and pays pro rata transaction costs.

Exceptions may be made based on such factors as the type of trade. It may not always be possible, or consistent with the possibly differing investment objectives or restrictions of the accounts, to take or liquidate the same investment positions at the same time or at the same prices. Although sharing in large transactions may adversely affect the price or volume purchased or sold by the accounts, an overall advantage in execution is expected. Orders need not be aggregated if:

- (1) the portfolio manager believes that aggregation is not consistent with the best interests of the customer or the duty to seek best execution;
- (2) aggregation would be inconsistent with an investment management agreement, statute or regulation; or
- (3) aggregation is impractical, such as when a security is included with a program trade. Notwithstanding the foregoing, unless the specific instances of the order make it clear that clients will not benefit from aggregation, unfilled client orders are generally aggregated. TINTL does not aggregate client orders with orders for its proprietary accounts or the proprietary accounts of its Advisory Affiliates, as each entity defines such term. . With respect to limit orders that may be entered by TINTL or its Advisory Affiliates for a particular security, later orders entered for the same security can be executed ahead of earlier outstanding limit orders. In addition, under Threadneedle Investments Trading Procedures, investment orders for ordinary shares and related investments will be dealt independently, but the reason for not dealing in the ordinary share must be given by the portfolio manager. Orders for one should not be delayed while working the other. Dealing in related investments for the purpose of ‘jumping the queue’ is not permitted.

Where client orders are aggregated and insufficient shares are obtained to completely fill the order for all accounts, the securities will generally be allocated on a pro rata basis. TINTL may revise the allocation of an aggregated order if there has been an error or if the order is only partially executed and the original allocation would result in an uneconomic allocation to some clients. Such revisions must be in writing. Allocations may also be revised under the general exception processes of the Procedures. All exceptions must be in writing and approved by senior management or the Compliance Department. If at any time the trading desk holds non-aggregated orders for the same security, those non-aggregated orders will be allocated based on the order in which executions are confirmed by the broker in the order in which each portfolio manager’s trade was placed.

Client Order Handling: Client Order Priority & Own Account (also known as Proprietary Accounts)

Clients’ orders and own account orders in the same or related investments must be executed fairly and in due turn. To ensure that client orders are not disadvantaged we won’t aggregate client orders and orders for our proprietary accounts and the proprietary accounts of our Advisory Affiliates, but deal them separately, waiting for the clients’ order to be filled before placing the own account order with the broker. Where TINTL or its associated companies own more than 20% of a portfolio, we consider that we have a material interest (also known as “proprietary accounts”) except where such associated company investment is not held on a on a long-term basis or for the purpose of securing a contribution to its activities by the exercise of control or influence. Own accounts of the Advisory Affiliates will be determined in accordance with each respective entity’s policies and applicable law.

Limit orders

Later orders can however be executed ahead of earlier outstanding limit orders which are awaiting the price to reach their target levels.

Related Investment Orders

Orders for ordinary shares and related investments will be dealt independently, but the reason for not dealing in the ordinary share must be given by the portfolio manager. There should be no attempt to delay one order whilst working the other.

Dealing in related investments for the purpose of ‘jumping the queue’ is unacceptable.

Client Order Handling: Allocation

Pre-Account Designation

A portfolio manager gives the trader the account numbers of, or other identifying information regarding the participating accounts involved and the proposed allocation among them in all transactions at the time the order is placed.

Timely allocation

Completed orders should be allocated promptly, and, in the case of a trade involving any U.S. Client, at least daily. In practice orders are allocated to clients before dealing, and we do not aggregate orders for client accounts with own account orders.

Partial allocation

Where client orders are aggregated and insufficient shares are obtained to completely fill the order for all accounts, the shares will be allocated on a pro rata basis.

Revised allocation

A firm may revise the allocation of an aggregated order if there has been an error or if the order is only partially executed and the original allocation would result in an uneconomic allocation to some clients.

Allocation of non-aggregated trades

If at any time the trading desk holds non-aggregated orders for the same security, those non-aggregated orders will be allocated based on the order in which the portfolio manager's trade was placed. "Own account" orders will be dealt once client orders have been completed.

Access to and allocation of Initial Public Offerings (IPOs), New Issues and Underwriting

Depending upon the investment objectives, strategies and restrictions applicable to an account, portfolio management teams may invest client assets in securities offered in an initial public offering ("IPO"). The availability of IPO shares is generally limited; this is particularly the case with "hot issues" where the demand for participation in such transactions far exceeds the supply of shares that are available. This scenario typically results in higher values when the offering first begins to be publicly traded. The allocation of IPO shares to interested investors, such as to us for allocation to our clients, is made by the underwriter of the transaction. These allocations are based on many factors, including the investors' past business with the underwriter.

Typically all accounts with the same investment objective and strategies that are managed by the same portfolio management team will ordinarily participate in the investment on a pro-rata basis based on relative account size. If there is a scaling back on final allocation, then the original portfolio allocations will be strictly scaled back on a pro rata basis.

In certain circumstances and as consistent with applicable law and our best execution obligations, we may determine to allocate IPO shares to our clients and those of our Advisory Affiliates on an aggregated basis. Our ability to receive IPO allocations for our clients and those of our Advisory Affiliates for which we provide trading services may be partially based on the trading activity of all accounts managed by us and the accounts of our Advisory Affiliates for which we provide trading services including the trading activity of many accounts that will not be eligible to receive allocations of IPO shares.

It is not our policy to invest in unlisted securities or private equity.

We have a well-established sub-underwriting procedure. A sub-underwriter sub-underwrites some or all of the obligations of the main underwriter; the underwriter passes its risk to the sub-underwriter by requiring the sub-underwriter to subscribe for or purchase a portion of the shares for which the underwriter is obliged to subscribe in the event of a shortfall. Our fundamental principle is that we underwrite issues where we either hold, or are prepared to hold, the underlying stock. Therefore, we will occasionally underwrite a placing where we intend to purchase that stock, but do not yet have an established holding. Our underwriting is not driven by income considerations. Formal written guidelines are in place outlining our underwriting procedure with which portfolio managers must comply to ensure that all clients have equal opportunity to participate where applicable.

Error Compensation

Threadneedle Investments' error policy is one of full restitution for the client. The Operational Risk Team will assist in the calculation of the error loss or gain.

Threadneedle Investments compensates the client for any losses incurred as a result of the error. All profits from errors relating to management of client money are given to the client where possible.

Selection of Broker-Dealers

TINTL has discretion to select both US and non-US brokers and dealers to effect client transactions. TINTL's objective in selecting brokers and dealers and in effecting portfolio transactions is to seek to obtain the best combination of price and execution with respect to its accounts' portfolio transactions. The best net price, giving effect to brokerage commissions, spreads and other costs, is normally an important factor in this decision, but a number of other judgmental factors are considered as they are deemed relevant. The factors include, but are not limited to: price; TINTL's knowledge of negotiated commission rates and spreads currently available; the nature of the security being traded; the size, type and difficulty of the transaction; the nature and character of the markets for the security to be purchased or sold; the desired timing of the trade; the activity existing and expected in the market for the particular security; confidentiality; the execution, clearance and settlement capabilities as well as the reputation, reliability, integrity and perceived soundness of the broker-dealer selected and others that are considered; the firm's risk in positioning a block of securities; TINTL's knowledge of actual or apparent operational problems of any broker-dealer; the broker-dealer's execution services rendered on a continuing basis and in other transactions; the reasonableness of spreads or commissions; and the overall benefits of supplemental investment research provided by the firm to the extent permitted by applicable regulations.

As stated in "Global Asset Management" above, where an Advisory Affiliate is providing trading services for our accounts or we are providing trading services for an Advisory Affiliate's Accounts, we or our Advisory Affiliate executing the trade order will select a broker-dealer that has been approved by us and each of the Advisory Affiliates for which accounts are being aggregated. This selection of broker-dealers may be smaller than the selection of broker-dealers otherwise available were our accounts not being aggregated with the accounts of our Advisory Affiliates. Such broker-dealer selection will be consistent with our obligation to seek best execution.

TINTL may use an Electronic Communications Network ("ECN") or Alternative Trading System ("ATS") to effect trades when, in TINTL's judgment, the use of an ECN or ATS may result in equal or more favourable overall executions for the transactions.

Commission Rates or Equivalents Policy

The US and certain foreign securities markets are subject to negotiated rates of commission. In selecting brokers and dealers through whom to effect these transactions, TINTL seeks to obtain quality execution at favourable security prices. TINTL endeavours to be aware of current charges of eligible broker-dealers and to minimize the expense incurred for effecting portfolio transactions to the extent consistent with the interests and policies of its accounts. However, TINTL will not select broker-dealers solely on the basis of "posted" commission rates nor always seek in advance competitive bidding for the most favourable commission rate applicable to any particular

portfolio transaction. Although TINTL generally seeks competitive commission rates, it will not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the broker-dealer involved resulting in higher commissions or their equivalents than would be the case with transactions requiring more routine services.

The reasonableness of commissions is based on the broker's ability to provide professional services, competitive commission rates, research, and other services that will help TINTL in providing investment management services to clients. TINTL may, therefore, use a broker who provides useful research and securities transaction services even though a lower commission may be charged by a broker who offers no research services and minimal securities transaction assistance to the extent permitted by applicable regulations.

Broker Selection

In terms of choosing trading partners, brokers are selected on the basis of their ability to add value to our portfolio management operation. Appropriate due diligence is carried out on any broker before they are used by Threadneedle Investments. The due diligence is completed to ensure Threadneedle Investments is transacting with a reputable broker, and that Threadneedle Investments complies with Anti-Money Laundering requirements. The continued use of counterparties will be reviewed in accordance with the Threadneedle Investments Credit Risk Policy.

Threadneedle Investments has a number of Commission Sharing Agreements ("CSA") in place in each region. The extent to which we use these depends on our experiences in dealing i.e. if we believe best execution is being achieved by concentrating on a limited number of CSA brokers then we will have a higher level of CSA payments than if there is less differentiation in dealing ability.

Broker Review

We conduct an extensive survey each year, with the input of all investment team members. This is explained in more detail below. We cover such areas as research, sales, economic strategy, dealing activity and such other services as derivatives, convertibles etc.

The key criteria used in broker review besides price are:

Coverage:

- Regularity of contact
- Speed of response
- Speed of follow-up on requests

Services:

- Quality of equity research
- Quality of economic and strategy research
- Web-based services
- Conferences
- Analyst meetings
- Back Office performance
- Any other service related functions

Trading:

- Competitiveness of prices
- Accommodation of size
- Speed of response
- Speed of trade confirmation
- Flows of business

The broker review process forms the basis for targeting levels of research commission for brokers. However ensuring best execution for each trade will always override this consideration.

Threadneedle Investments conduct thorough reviews of all services received from brokers in order to ensure that we obtain the best input available from brokers and that we allocate a suitable amount of commission for the services, while always ensuring we seek best execution.

Regularity

A thorough review is done annually in Q1 and then updated throughout the year as deemed necessary in light of changes to the service received.

Each desk will input desk results following a full survey of services received by all members of the team.

Execution Survey

The dealers: The main areas scored are liquidity, pricing, sales trader quality, and communication of order flow, news flow and the effective provision of capital.

Monthly commission figures are monitored to ensure that the commission received by brokers is in line with the research scores they receive. In each calendar year we expect brokers research commission to closely reflect research scores.

Our major global brokers receive annual reviews where they will be given the sheet showing their overall position and all scores that have contributed to that. This ensures that brokers understand what services we value and our commission is rewarding. Discussions will cover all aspects of the service received and areas where we expect improvement.

Benchmarking of commission levels

Threadneedle study market information on average market commission rates. In addition we subscribe to a service from a third party Transaction Cost Analysis (TCA) company who benchmark our commission rates in each region within their database.

Comparison is not always straight forward as average commission rates are likely to be a function of turnover levels, of capital commitment by brokers and of the level of research input required.

Commission Rates

Commission rates are reviewed on at least an annual basis and standard commission rates for each asset class are determined. We aim to obtain the most competitive rates available for the level of services we require.

Other commission rates will be negotiated for specific trades where certain trading venues or strategies are adopted, for example with programme trades.

The split of commission between execution and research is determined in conjunction with the brokers based upon the historic trading costs and the cost of execution through other venues, taking into account the additional services offered by the broker.

Variations in Rates of Commission

The 'Full Service Rates' for each main asset class is agreed with our brokers. However trades will also be undertaken at other commission rates, negotiated with the counterparty for specific venues or trading strategies. These may include Direct Market Access, Programme or Algorithmic Trading.

Dealing Efficiency Monitoring

Our goal in trading on behalf of our clients is to achieve the best possible transaction and settlement terms (accuracy and timeliness) in the most cost efficient manner. Threadneedle Investments therefore operates in accordance with standards of best execution and timely and fair allocation. We ensure timely investments and minimise cost and market impact by centralising trades and using the best-priced broker for each trade to ensure best execution. A dedicated team of compliance analysts also undertakes weekly monitoring of equity trade prices, to ensure comparative execution quality in line with market price and they also monitor the timeliness of trades between portfolio managers' instructions and dealers placing in the market, thereby helping to monitor for timely execution.

Soft Dollar / Bundled Brokerage for Research/Execution Policy

Purchase of Research

We believe that whilst information is plentiful, good ideas are scarce and at Threadneedle Investments internal research is the principal driver of our investment process although we will use external sources where this approach is more efficient e.g. financial modelling. Rather than spending a great deal of time and effort in building proprietary models, the focus of our research is on understanding the best models available externally, understanding the key assumptions within these models and adjusting these when and where appropriate. This allows us to concentrate on those areas where we believe our proprietary research can add most value and where sell side research is weaker.

We use external research to support our own analysis and research, but it is our proprietary and rigorous analysis of industry dynamics, balance sheet, cash flows and competitor environment that gives us our competitive edge.

In addition and recognising the global nature of business and investment, we have 12 global sector teams crossing geographic boundaries to look at sectors such as technology and energy at a global level. Comprising a member of each geographic desk, these teams take a broader perspective of the trends affecting their industries and compare cross-border valuations. The aim is to leverage research done across the entire investment team, establishing a forum for the exchange of news and ideas with colleagues on other desks, and profiting from anomalies that this level of research reveals.

Soft dollar

When appropriate under its discretionary authority and consistent with its duty to obtain best execution, Threadneedle Investments may place transactions for client accounts to broker-dealers who provide TINTL and TAML with research and execution services.

All transactions are executed on a policy of seeking to obtain the best available price and the most favourable execution. If, in the professional opinion of the person responsible for selecting the broker or dealer, several firms can execute the transaction on that basis, consideration will be given by such person to those firms that offer research services to the extent permitted by applicable regulations. Such services may be used by Threadneedle Investments in providing advice to the Portfolios and other accounts advised by Threadneedle Investments.

Section 28(e) of the Securities Exchange Act of 1934, along with related SEC interpretations, provide a “safe harbour” that allows an investment adviser to obtain research used in investment decision-making and brokerage services with the commissions generated by client account transactions. In the US, broker-dealers typically provide a bundle of services including research and execution of transactions. The research provided can be either proprietary (created and provided by the broker-dealer, including tangible research products as well as access to analysts and traders) or third-party (created by a third party but provided by the broker-dealer). Threadneedle Investments, including TINTL, may use commissions to acquire either type of research.

To the extent that TINTL and TAML share research and portfolio management ideas and manage client accounts similarly, research and execution services acquired with commissions may be shared across Threadneedle Investments. In addition, certain research acquired with commissions may be shared with our Advisory Affiliates. To the extent that specific clients may limit Threadneedle Investments' discretion with respect to their commissions, Threadneedle Investments honours such requests. Because services acquired with commissions may be used across Threadneedle Investments, commissions generated by transactions for clients who have not imposed any such limits may be used to acquire research or brokerage services that benefit clients who have limited the ability to use their commissions. As Threadneedle Investments aggregates orders for dealing, even where a client opts out the dealing costs will not be lower, however their commission will not be used to buy third party research via Commission Sharing Arrangements ("CSAs").

The receipt of research and execution services in exchange for commission benefits Threadneedle Investments by allowing the advisers, at no cost to itself, to supplement its own research and execution activities, to receive the views and information of individuals and research staffs of other securities firms, and to gain access to persons having special expertise on certain companies, industries, areas of the economy and market factors. Research and brokerage services acquired with commissions may include reports on the economy, industries, sectors and individual companies or issuers; statistical information; accounting and tax law interpretations; political analyses; information on technical market actions; credit analyses; on-line quotation and trading systems; risk measurement; and analyses of corporate responsibility issues. Preference is given to broker-dealers that consistently supply competent coverage in the markets in which they specialize.

The determination and evaluation of the reasonableness of brokerage commissions paid in connection with portfolio transactions are based primarily on the professional opinions of the persons responsible for the placement and review of such transactions. These opinions are formed on the basis of, among other things, their experience in the securities industry and information available to them concerning commissions being paid by other investors of comparable size and type. Threadneedle Investments may select broker-dealers based on its assessment of their ability to provide quality executions and its belief that the research, information and other services provided by such broker-dealer may benefit client accounts to the extent permitted by applicable regulations. It is not always possible to place a dollar value on special execution services or research received from executing broker-dealers. Accordingly, broker-dealers selected by Threadneedle Investments may be paid commissions for effecting portfolio transactions for client accounts in excess of amounts other broker-dealers would have charged for effecting similar transactions if Threadneedle Investments determines in good faith, to the extent permitted by applicable regulations, that such amounts are reasonable in relation to the value of the brokerage and/or research services provided by those broker-dealers, viewed either in terms of a particular transaction or Threadneedle Investments' overall duty to discretionary accounts.

To the extent that any securities transactions are effected with or through the agency of a provider of supplemental investment research, such transactions are effected so as to seek to secure best execution of the transactions disregarding any benefit that might inure directly or indirectly from the services or benefits provided. Threadneedle Investments does not enter into any agreement or understanding with any broker-dealer that would obligate it to direct a specific amount of brokerage transactions or commissions in return for such services. However, certain broker-dealers may state in advance the amount of brokerage commissions they require for certain services and the applicable cash equivalent.

Threadneedle Investments may also use Commission Sharing Arrangements to pay for a portion of a service. For example, some broker/service providers provide research and raw data as a package. For any such services, Threadneedle Investments would use commissions only for the research and execution portion and pay cash for the non-research and non-execution portion. Although the allocation between commissions and cash is not always capable of precise calculation, Threadneedle Investments would make a good faith effort to allocate such items reasonably and prepare appropriate records.

Threadneedle Investments operates a team approach to management, and an effort is made to use soft dollar services for as many clients' accounts as appropriate. We encourage all clients to participate in soft dollar arrangements. We do not seek to allocate soft dollar benefits to client accounts in proportion to their generation.

All services that we acquire under soft dollar arrangements qualify for the safe harbour in section 28(e) of the Securities Exchange Act of 1934.

FCA requirements

TINTL's soft dollar arrangements are also subject to the UK FCA rules. Under these rules such goods and services must reasonably assist in the provision of our services to our clients on whose behalf the orders are being executed and do not, and are not likely to impair compliance with our duty to act in the best interests of our clients.

Brokerage for Client referrals

When selecting brokers, we do not consider whether we or a *related person* receives *client* referrals from a broker-dealer or third party.

Directed Brokerage

We do not either routinely recommend, request or require that a client direct us to execute transactions through a specified broker-dealer or permit a client to direct brokerage.

We consider that under these practices we may be unable to achieve most favourable execution of client transactions, and would be disadvantageous to other clients because of the use of Soft Dollars.

Transaction Aggregation Policy

This is discussed above in item 12: Brokerage practices

FX Trading

Depending on the directions from the client, foreign currency (FX) transactions are effected either through us or through the client's custodian. Where Threadneedle Investments has been given authority to effect FX trades, the client's portfolio will be set on Threadneedle Investments' trading system with a single operating currency (which may not be the same as the reporting currency of the account). Client account trades (i.e., purchases or sales of portfolio securities) that occur in currencies other than the operating currency will be converted to the operating currency by processing an FX transaction with brokers Threadneedle Investments selects at its discretion. All income will also be repatriated to the operating currency of the account pursuant to standing instructions from Threadneedle Investments to the client's custodian bank. Except where expressly permitted by the investment guidelines, Threadneedle Investments does not seek to make currency bets on client accounts, but only enters into FX transactions for currency management purposes. Where the client has directed Threadneedle Investments to use the client's custodian to repatriate foreign currency Threadneedle Investments does not evaluate the repatriation services provided to the client.

REVIEW OF ACCOUNTS

Account guideline review

Generally, portfolio managers review TINTL accounts on an on-going basis in accordance with the investment approach, internal investment policy guidelines, and client objectives. Portfolio managers continuously receive investment information from analysts, investment meetings, and product-specific analyses, models, and screens. This information is interpreted within the context of the specific objective and constraints of the client. Given the

fluid nature of financial markets and the continuous flow of information available to consultants, the account review process is continuous. On an on-going basis, investment personnel analyse economic forecasts, industry and country developments, and evaluate the relative attractiveness of individual securities. Revised investment recommendations and changes in client circumstances or objectives are among the factors that may trigger an account review. However, portfolio managers also meet with clients usually at least once per year to discuss their investment objectives and guidelines, during which the account guidelines determined by the client and any related investment parameters are discussed. TINTL also employs pre- and post-trade controls and monitoring techniques through automated and manual procedures in an effort to ensure that portfolios are managed in accordance with client specific guidelines and restrictions.

Portfolio managers and the individual desk heads review the performance of accounts on an informal real-time, daily, weekly or monthly basis (as applicable to different types of accounts). The Chief Investment Officer, with the relevant desk heads, carries out formal quarterly performance reviews of all of TINTL's discretionary accounts. In addition; periodic performance reviews are also carried out during Threadneedle Investments overall investment management leadership team meetings, for the accounts within their business grouping.

Each of our portfolio managers and other investment personnel are responsible for managing assigned accounts in accordance with their investment objectives and guidelines. There is no specific limit on the number of accounts that may be assigned to each professional. In addition to the reviews above, factors that may cause the portfolio manager to initiate a portfolio review include, but are not limited to: changes in the investment strategy; changes in the client's objectives, guidelines or restrictions; significant price movements of portfolio securities or of the portfolio as a whole; changes in the prospects of a particular portfolio security; the need to invest incoming cash; and the need to raise cash from the portfolio.

Also, our Investment Risk Management Department monitors the risk profile of fixed income and equity Mutual Funds and institutional accounts. This monitoring includes a periodic review of the portfolios' forward-looking downside risk versus their appropriate benchmark and individual contributors thereto. In the case of Mutual Funds and institutional accounts, the monitoring includes a daily review of the portfolios' derivatives trades and a monthly review of the drivers of the portfolios' performance and traditional risk measures. The Investment Risk Management Department also monitors wrap account strategies on a periodic basis based on the composition of accounts representative of the strategy.

Client communication and reporting

Servicing arrangements such as reporting will vary among clients. On a monthly or quarterly basis, we provide each of our institutional clients with a report that includes such information as: (1) current portfolio holdings, showing cost and market value; (2) a transaction summary listing all recent security purchases, sales and income earned. We may also provide a monthly or quarterly report that includes portfolio performance compared to benchmark, risk ratings for fixed income portfolios and portfolio manager commentary on sources of return within the portfolio and recent market conditions. In addition, client relationship managers and/or investment personnel generally will offer to meet with clients on an annual basis to review goals, objectives, holdings and portfolio performance unless the client requests more frequent meetings.

In the case of the pooled funds, the portfolio managers generally report directly to the Board of each fund on a semi-annual and annual basis. This report typically covers performance, investment process and an analysis of results.

On a monthly basis, the portfolios' administrator provides our alternative investment clients with a client statement that shows their account balances. We may also provide a monthly report that includes portfolio manager commentary on sources of return within the portfolio and recent market conditions.

CLIENT REFERRALS AND OTHER COMPENSATION

Referral Arrangements/Sales Compensation

TINTL has a written solicitation agreement with CMIA. Pursuant to this arrangement, CMIA is entitled to receive compensation for solicitation activities in connection with the referral of investment advisory clients to TINTL.

Additionally, TINTL is party to a Referral Agreement between TINTL, Northwinds Marketing Group LLC and CMIA pursuant to which Northwinds Marketing Group LLC marketed CMIA's and TINTL's investment advisory services. TINTL acts as a Subadviser to CMIA in respect of certain clients referred by Northwinds Marketing Group LLC. Pursuant to the Referral Agreement, CMIA pays Northwinds Marketing Group LLC a fee based on a certain percentage of the investment advisory fees received by CMIA or any of its affiliates, including TINTL, from clients referred by Northwinds Marketing Group LLC.

Certain employees of the Ameriprise Financial organization, including employees of ours, are paid bonuses, which may be based, in part, upon retaining and increasing assets under management. While activities that result in higher compensation may influence behaviour, it is our policy to treat all clients fairly and equitably in accordance with our fiduciary duty. Our Gifts and Benefits Policy, which forms a part of our Code of Ethics, is intended to address the general principles of gifts, entertainment and other benefits, and outlines the procedures that our employees must follow in order to give or receive gifts and benefits to or from clients, prospects or suppliers.

CUSTODY

TINTL does not, in the normal course of business, maintain custody of client portfolios or securities. Under certain circumstances, TINTL may be deemed to have custody of a client's assets under the Investment Advisers Act Rule 206(4)-2 (the "Custody Rule") even though TINTL does not have actual, physical custody of client assets.

Although we do not maintain custody of client assets, we may on occasion inadvertently receive client funds or securities. If we inadvertently receive funds or securities attributable to a client or former client from a third party, we will forward the funds or securities to the client, former client or the client's qualified custodian as required under the Custody Rule.

We provide monthly statements to our clients and have a good faith belief that the custodian also sends the client a statement, at least quarterly, identifying the amount of funds and securities in the account at the end of the period and setting forth all transactions in the account during that period. We encourage our clients to compare the account statements that their custodian sends them with those that we provide.

INVESTMENT DISCRETION

The accounts over which we exercise investment discretion are generally subject to investment restrictions and guidelines developed in consultation with clients. We will exercise such discretionary authority with a client only after executing an agreement that gives us such discretion. These restrictions and guidelines customarily impose limitations on the types of securities that may be purchased and also generally limit the percentage of account assets that may be invested in certain types of securities. Additional policies may be set by a client's board or investment committee.

It is not TINTL's practice to accept accounts for which we have discretionary authority to purchase securities for the account, but where we are not able to select broker-dealers for transactions. We may accept non-discretionary arrangements, such as providing a series of securities recommendations by periodically updating a model portfolio or where clients retain investment discretion with respect to transactions in the account. In these situations, our

lack of investment discretion may cause the client to lose possible advantages that our discretionary clients may derive from our ability to act for those discretionary clients in a more timely fashion, such as the aggregation of orders for several clients as a single transaction.

We may act as investment manager to other clients (including funds) now or in the future and each account's investment restrictions and guidelines may differ. All investment decisions for an account are made in accordance with the investment restrictions and guidelines of that account. Investment decisions for each account are made with a view to achieving the account's investment objectives and after consideration of such factors as the account's current holdings, the current investment views of the particular portfolio manager, availability of cash for investment, and the size of the account's positions generally. In addition, we may apply certain proprietary risk management guidelines or other restrictions to the universe of accounts we manage in situations where we believe such actions will enhance our overall advisory services. These internal restrictions are subject to change and may impose supplemental limitations and guidelines on the management of an account in addition to the guidelines provided to us by the applicable client.

VOTING CLIENT SECURITIES

TINTL currently has no discretion to vote proxies in respect of equity securities of the US client accounts that it manages. All proxies for the US registered investment companies sub-advised by TINTL through CMIA on a discretionary basis are currently voted by CMIA or the investment company's Board of Trustees, in accordance with the proxy voting policies applicable to the relevant investment company. All proxies for other US client accounts sub advised by TINTL through CMIA on a discretionary basis are currently voted by CMIA, which serves as the investment adviser on each US client account. CMIA votes proxies in accordance with its Proxy Voting Policies and Procedures.

Should TINTL become responsible for voting proxies on equity securities held in accounts that it manages on a discretionary basis, TINTL will adopt a proxy voting policy in accordance with Advisers Act Rule 206(4)-6.

FINANCIAL INFORMATION

We do not require or solicit prepayments from clients, nor do we have custody of client funds or securities. We do, however, have discretionary authority over client funds and securities.

We currently do not know of any financial condition that is reasonably likely to impair our ability to meet our contractual commitments to our clients.

NOTICE OF PRIVACY POLICIES AND PRACTICES

It is Threadneedle Investment's responsibility to ensure that any of your personal data and sensitive personal data which it holds is kept completely secure and confidential in accordance with the provisions of applicable Privacy and Data Protection legislation. As such, Threadneedle Investments is known under the legislation as the Data Controller. Threadneedle Investments takes these responsibilities very seriously.

Threadneedle Investments actively maintains and enforces the security and confidentiality of all of the personal data Threadneedle Investments and its selected third party service providers hold about you, regardless of whether within or outside of the European Economic Area.

Information We Collect. In order for us to provide services to you, you provide us with non-public personal information about you (“Client Information”). Client Information we collect about you comes primarily from the forms that are completed during the client take-on process and from the transactions that you make with us.

Disclosure of Client Information. Client Information about you or any former client is only disclosed as authorised by you or as permitted by law. For example, we may provide copies of your client statements to a third party if you request or authorise such release, or we may be required to provide Client Information as a result of an authorised enquiry from our regulators, or a law enforcement body. Client Information about you or any former client is also disclosed to entities that help us to administer, maintain, and service your accounts. Also, unless we are contractually prohibited, Client Information about you may also be provided to our other financial services affiliates, including other asset management affiliates, in order to assist us, or them, in providing or offering products and services to you. These policies are further subject to any contractual restrictions on our ability to share Client Information for marketing purposes and any other client-imposed restrictions on this practice.

Protecting Client Information. We provide access to Client Information only to those employees and agents (which can include affiliates and non-affiliates) who need the information to perform services for you or functions on your behalf, as well as those affiliates and service providers who may be involved in providing or offering services to you, as described above. We maintain physical, electronic, and procedural security measures that comply with applicable legislation to safeguard Client Information.

If you have any questions about how we protect and safeguard non-public personal information, please call your Client Account Manager.

Please direct any questions or requests for additional information regarding TINTL to the address or telephone number listed on the cover of this brochure

RISK DISCLOSURE APPENDIX

The following risk descriptions are designed to help clients anticipate some of the challenges and risks associated with the asset management industry today. Clients should speak with their consultants or other financial advisors for more information regarding these and other risks associated with making an investment.

When we provide investment management services to a client, we are serving as an investment manager only with respect to those assets we manage and not with respect to the client’s other assets or with an eye towards the client’s overall financial situation.

Active Management Risk

The portfolio is actively managed and its performance therefore will reflect in part the ability of the portfolio managers to select securities and to make investment decisions that are suited to achieving the portfolio’s investment objective. Due to its active management, the portfolio could under perform other portfolios with similar investment objectives. In addition, if a portfolio takes both long and short positions, there is the risk that the value of the securities held long might decrease and the value of the securities sold short might increase in response to activities of an individual company or in response to general market conditions. In this case, the portfolio’s potential losses could exceed those of other portfolios that hold only long stock positions.

Asia Pacific Region Risk

A number of countries in the Asia Pacific region are considered underdeveloped or developing, including from a political, economic and/or social perspective, and may have relatively unstable governments and economies based

on limited business, industries and/or natural resources or commodities. Events in any one country within the region may impact that country, other countries in the region or the region as a whole. As a result, events in the region will generally have a greater effect on the portfolio than if it were more geographically diversified in areas with more developed countries and economies. This could result in increased volatility in the value of the portfolio's investments and losses within the portfolio. Continued growth of economies and securities markets in the region will require sustained economic and fiscal discipline, as well as continued commitment to governmental and regulatory reforms. Development also may be influenced by international economic conditions, including those in the United States and Japan, and by world demand for goods or natural resources produced in countries in the Asia Pacific region. Securities markets in the region are generally smaller and have a lower trading volume than those in the United States, which may result in the securities of some companies in the region being less liquid than U.S. or other foreign securities. Some currencies, inflation rates or interest rates in the Asia Pacific region are or can be volatile, and some countries in the region may restrict the flow of money in and out of the country.

Correlation risk is related to hedging risk and is the risk that there may be an incomplete correlation between the hedge and the opposite position, which may result in increased or unanticipated losses.

Counterparty credit risk is the risk that a counterparty to the derivative instrument becomes bankrupt or otherwise fails to perform its obligations due to financial difficulties, and the portfolio may obtain no recovery of its investment or may only obtain a limited recovery, and any recovery may be delayed.

Counterparty Arrangements

We enter into many counterparty arrangements in connection with our asset management business. These arrangements support our trading, custody and investment activities, and some of the counterparties we use have relationships with our affiliates as well. Reliable counterparty arrangements and the ability to assess counterparty risks have become a critical part of our day-to-day operations and we endeavour to manage these risks in accordance with our fiduciary duty to clients. While we seek to manage these risks, exposure to counterparty failures, including bankruptcies and defaults, is sometimes unavoidable and can result in sudden and unanticipated shocks to our operations or investments resulting from the inability to carry out transactions or satisfy liquidity demands.

Credit Risk

Credit risk is the risk that the issuer of a fixed-income security or the counterparty to a contract may or will default or otherwise become unable or unwilling to honour a financial obligation, such as making payments. If the portfolio purchases unrated securities, or if the rating of a security is reduced after purchase, the portfolio will depend on analysis of credit risk more heavily than usual. In addition, investments in emerging markets debt obligations also are subject to increased credit risk because of the difficulties of requiring foreign entities, including issuers of sovereign debt obligations, to honour their contractual commitments, and because emerging markets governments and other issuers have historically high default rates.

Cyber Security Risk

With the increased use of technologies such as the Internet and the dependence on computer systems to perform necessary business functions, Threadneedle Group Companies and our service providers may be prone to operational and information security risks resulting from cyber-attacks. In general, cyber-attacks result from deliberate attacks but unintentional events may also have effects similar to those caused by cyber-attacks. Cyber-attacks include, among other behaviors, stealing or corrupting data maintained online or digitally, denial-of-service attacks on websites, the unauthorised release of confidential information and other activities causing operational disruption.

A successful cyber-attack against Threadneedle Group Companies, or other types of security breakdowns may interfere with the processing of client transactions, cause the release of private client information or confidential portfolio information and impede trading, all negatively impacting clients and causing reputational damage to us. Additionally, we could be subjected to regulatory fines, penalties or financial losses, reimbursement or other

compensation costs, and/or additional compliance costs now and in the future. While we and our service providers have established business continuity plans and systems designed to prevent such cyber-attacks, there are inherent limitations in such plans and systems including the possibility that certain risks have not been identified. Similar types of cyber security risks are also present for issuers of securities or other instruments in which we invest, which could result in material adverse consequences for such issuers, and may cause a portfolio's investment therein to lose value.

Derivatives Risk

Derivatives are financial instruments that have a value which depends upon, or is derived from, the value of something else, such as one or more underlying securities, pools of securities, options, futures, indexes or currencies. Losses involving derivative instruments may be substantial, because a relatively small price movement in the underlying security(ies), instrument, currency or index may result in a substantial loss for the portfolio. In addition to the potential for increased losses, the use of derivative instruments may lead to increased volatility within the portfolio. Derivative instruments in which the portfolio invests will typically increase the portfolio's exposure to material risks to which it is otherwise exposed, and may expose the portfolio to additional risks, including correlation risk, counterparty credit risk, hedging risk, leverage risk, and liquidity risk. Certain derivatives have the potential for unlimited losses, regardless of the size of the initial investment

Derivatives Risk/Forward Foreign Currency Contracts Risk

The use of forward foreign currency contracts is a highly specialized activity which involves investment techniques and risks different from those associated with ordinary portfolio securities transactions. These instruments are a type of derivative contract, whereby the portfolio may agree to buy or sell a country's or region's currency at a specific price on a specific date, usually 30, 60, or 90 days in the future. These instruments may fall in value due to foreign market downswings or foreign currency value fluctuations. The effectiveness of any currency hedging strategy by a portfolio may be reduced by the portfolio's inability to precisely match forward contract amounts and the value of securities involved. Forward foreign currency contracts used for hedging may also limit any potential gain that might result from an increase or decrease in the value of the currency. When entering into forward foreign currency contracts, unanticipated changes in the currency markets could result in reduced performance for the portfolio. At or prior to maturity of a forward contract, the portfolio may enter into an offsetting contract and may incur a loss to the extent there has been movement in forward contract prices. When the portfolio converts its foreign currencies into U.S. dollars, it may incur currency conversion costs due to the spread between the prices at which it may buy and sell various currencies in the market. Investment in these instruments also subjects the portfolio, among other factors, to counterparty risk (i.e., the counterparty to the instrument will not perform or be unable to perform in accordance with the terms of the instrument).

Exchange-Traded Fund (ETF) Risk

An ETF's share price may not track its specified market index (if any) and may trade below its net asset value. Certain ETFs use a "passive" investment strategy and do not take defensive positions in volatile or declining markets. Other ETFs in which the portfolio may invest are actively managed, which indirectly subjects the portfolio to active management risk. An active secondary market in ETF shares may not develop or be maintained and may be halted or interrupted due to actions by its listing exchange, unusual market conditions or other reasons. There can be no assurance that an ETF's shares will continue to be listed on an active exchange. In addition, shareholders bear both their proportionate share of the portfolio's expenses and similar expenses incurred through ownership of the ETF. There is a risk that ETFs in which the portfolio invests may terminate due to extraordinary events. For example, any of the service providers to ETFs, such as the trustee or sponsor, may close or otherwise fail to perform their obligations to the ETF, and the ETF may not be able to find a substitute service provider. Also, certain ETFs may be dependent upon licenses to use various indexes as a basis for determining their compositions and/or otherwise to use certain trade names. If these licenses are terminated, the ETFs may also terminate. In addition, an ETF may terminate if its net assets fall below a certain amount.

Foreign Currency Risk

The performance of the portfolio may be materially affected positively or negatively by foreign currency strength or weakness relative to the U.S. dollar, particularly if the portfolio invests a significant percentage of its assets in

foreign securities or other assets denominated in currencies other than the U.S. dollar. Currency rates in foreign countries may fluctuate significantly over short periods of time for a number of reasons, including changes in interest rates, imposition of currency controls and economic or political developments in the U.S. or abroad. The portfolio may also incur currency conversion costs when converting foreign currencies into U.S. dollars.

Foreign/Emerging Market Securities Risk. Securities issued by foreign governments or companies in emerging market countries are more likely to have greater exposure to the risks of investing in foreign securities that are described in Foreign Securities Risk. In addition, emerging market countries are more likely to experience instability resulting, for example, from rapid changes or developments in social, political and economic conditions. Their economies are usually less mature and their securities markets are typically less developed with more limited trading activity (i.e., lower trading volumes and less liquidity) than more developed countries. Emerging market securities tend to be more volatile than securities in more developed markets. Many emerging market countries are heavily dependent on international trade and have fewer trading partners, which makes them more sensitive to world commodity prices and economic downturns in other countries. Some emerging market countries have a higher risk of currency devaluations, and some of these countries may experience periods of high inflation or rapid changes in inflation rates and may have hostile relations with other countries.

Geographic Concentration Risk

The portfolio may be particularly susceptible to economic, political, regulatory or other events or conditions affecting issuers and countries within the specific geographic regions in which the portfolio invests. Currency devaluations could occur in countries that have not yet experienced currency devaluation to date, or could continue to occur in countries that have already experienced such devaluations. As a result, the portfolios may be more volatile than a more geographically diversified portfolio.

Hedging Risk is the risk that derivative instruments used to hedge against an opposite position may offset losses, but they may also offset gains. There is no guarantee that a hedging strategy will eliminate the risk which the hedging strategy is intended to offset, which may lead to losses within the portfolio.

Inflation Risk

Most bond and cash portfolios offer limited capital growth potential and an income that is not linked to inflation. Therefore, inflation can affect the real value of capital and income over time.

Implementation Risk

Disorderly market conditions or periods of market stress may make it difficult or impossible for us to pursue an investment strategy or objective. During these periods, it may be difficult or impossible to buy or sell investments at certain prices or at all. Moreover, volatility or events associated with markets, sectors or issuers may make it difficult to implement certain policies and procedures designed to ensure equal treatment among client accounts. For example, while our trading procedures are designed to ensure equal treatment among all clients, volatility on any given day may cause clients to receive materially different prices on the same securities. This may create performance dispersions among accounts with the same or similar investment mandate.

Interest Rate Risk

Interest rate risk is the risk of losses attributable to changes in interest rates. In general, if prevailing interest rates rise, the values of debt securities will tend to fall, and if interest rates fall, the values of debt securities will tend to rise. Changes in the value of a debt security usually will not affect the amount of income the portfolio receives from it but may affect the value of the portfolio. In general, the longer the maturity or duration of a debt security, the greater its sensitivity to changes in interest rates. Interest rate declines also may increase prepayments of debt obligations, which, in turn, would increase prepayment risk. As interest rates rise or spreads widen, the likelihood of prepayment decreases.

Investing Defensively

When authorised by the client, Threadneedle International Limited may from time to time seek to take temporary defensive investment positions that may be inconsistent with the principal investment strategy of a client account

in attempting to respond to adverse market, economic, political, social or other conditions. These temporary defensive investment positions may include, but are not limited to; (i) investing some or all of the client account assets in money market instruments or shares of affiliated or unaffiliated money market funds, (ii) holding some or all of the client account assets in cash or cash equivalents, or (iii) investing in derivatives, such as futures (e.g., index futures) or options on futures, for various purposes, including among others, investing in particular derivatives to achieve indirect investment exposures to a sector, country or region where the Threadneedle International Limited believes such defensive positioning is appropriate. While a client account is so positioned defensively, derivatives could comprise a substantial portion of the account's investments.

See above for more information on the risks of investing in derivatives. A client account may not achieve its investment objective while it is investing defensively. During these times, the portfolio managers may make frequent portfolio holding changes, which could result in increased trading expenses and taxes, and decreased investment performance.

Where a client does not authorize the temporary defensive strategies described above, the client account will not achieve any potential benefits that other clients may achieve who have granted Threadneedle International Limited flexibility to employ temporary defensive strategies for their account. Further, where a client is not able to or does not authorize the use of certain derivative instruments, the temporary defensive strategies may be implemented less effectively and at greater cost to the client than if derivative instruments were employed in the account.

Leverage Risk is the risk that losses from the derivative instrument may be greater than the amount invested in the derivative instrument.

Liquidity Risk is the risk that the derivative instrument may be difficult or impossible to sell or terminate, which may cause the portfolio to be in a position to do something the portfolio managers would not otherwise choose, including accepting a lower price for the derivative instrument, selling other investments or foregoing another, more appealing investment opportunity. Derivative instruments which are not traded on an exchange, including, but not limited to, forward contracts, swaps and over-the-counter options, may have increased liquidity risk.

No Guarantee of Performance

All investments involve risk (the amount of which may vary significantly), investment performance can never be predicted or guaranteed, even when employing very conservative strategies such as those employed by money market mutual funds or other accounts that seek preservation of capital. The market value of client assets will fluctuate due to market conditions and other factors, such as liquidity and volatility. The assumptions associated with certain investment strategies that are derived and tested over longer periods (e.g., quantitative strategies) may not be meaningful, and such strategies may demonstrate relative weakness, during periods of unprecedented market conditions, since, by definition, those conditions may not be reflected in any historical data or research conducted to create the strategies.

Resource Constraints

Unfavourable market conditions and budget constraints may impact our ability to retain or attract talented employees or allocate resources as we otherwise would during periods of economic stability. Moreover, the inherent conflict of interest associated with certain arrangements (e.g., the receipt of research in exchange for client commissions) is heightened when our business is under pressure to reduce overhead expenses in response to market conditions that impact our revenues. While we may make resource allocations designed to streamline or bring more efficiency to our operations during periods of economic stress, we will not compromise our fiduciary standards or compliance with our policies and procedures that are reasonably designed to prevent violations.

Regulatory Uncertainty

Recent market events are likely to result in significant regulatory reform, which could impact the way we operate our business or pursue our client objectives. For example, from September 19 – October 3, 2008, due to market events, the US Securities and Exchange Commission took temporary emergency action to prohibit short selling in

over 800 financial services companies. Similar action was taken by regulators in the UK and other countries. This short sale ban imposed temporary limitations on our ability to fully implement certain investment strategies. There is no guarantee that additional regulatory constraints will not be imposed in the future.

Sector Risk. At times, the portfolio may have a significant portion of its assets invested in securities of companies conducting business in a related group of industries within an economic sector. Companies in the same economic sector may be similarly affected by economic, regulatory, political or market events or conditions, making the portfolio more vulnerable to unfavorable developments in that economic sector than portfolios that invest more broadly. The more a portfolio diversifies its investments, the more it spreads risk and potentially reduces the risks of loss and volatility.

Segregated Account Advantages

Investors in pooled vehicles may wish to consider the different levels of liquidity and transparency provided to segregated account owners pursuing the same investment strategy as a pooled vehicle. Greater visibility and access to underlying holdings could allow a segregated account holder to implement strategies (e.g. hedging techniques) that could prove disadvantageous to pooled fund vehicles or their investors.

Short Selling Risk

The portfolio may establish short positions which introduce more risk to the portfolio than long positions (where the portfolio owns the instrument) because the maximum sustainable loss on an instrument purchased (held long) is limited to the amount paid for the instrument plus the transaction costs, whereas there is no maximum price of the shorted instrument when purchased in the open market. Therefore, in theory, short positions have unlimited risk. The portfolio's use of short positions in effect "leverages" the portfolio. Leverage potentially exposes the portfolio to greater risks of loss due to unanticipated market movements, which may magnify losses and increase the volatility of returns. To the extent the portfolio takes a short position in a derivative instrument, this involves the risk of a potentially unlimited increase in the value of the underlying instrument.

Small- and Mid-Sized Company Risk

Securities of small- and mid-capitalization companies (small- and mid-cap companies) can, in certain circumstances, have a higher potential for gains than securities of larger, more established companies (larger companies) but may also have more risk. For example, small- and mid-cap companies may be more vulnerable to market downturns and adverse business or economic events than larger companies because they may have more limited financial resources and business operations. Small- and mid-cap companies are also more likely than larger companies to have more limited product lines and operating histories and to depend on smaller management teams. Securities of small- and mid-cap companies may trade less frequently and in smaller volumes and may be less liquid and fluctuate more sharply in value than securities of larger companies. When the portfolio takes significant positions in small- and mid-cap companies with limited trading volumes, the liquidation of those positions, particularly in a distressed market, could be prolonged and result in portfolio investment losses. In addition, some small- and mid-cap companies may not be widely followed by the investment community, which can lower the demand for their stocks.

Strategy-Specific Risks

Clients should also consider risks associated with the investment mandate you have engaged us to implement. Each client should consider those risks in its decision to engage us and in connection with the client's overall investment program. A consultant or financial advisor engaged to evaluate a client's overall investment program can assist clients with an evaluation of risks associated with investment strategies.