



CAPITAL BANK AND TRUST COMPANY

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Form ADV, Part 2A
Date: November 20, 2015

This brochure provides information about the qualification and business practices of Capital Bank and Trust Company ("CB&T"). Throughout this brochure and related materials, CB&T may refer to itself as a "registered investment adviser" or "being registered." You should be aware that registration with the United States Securities and Exchange Commission ("SEC") or a state securities authority does not imply a certain level of skill or training.

If you have any questions about the contents of this brochure, please contact us at ADVPart2@capgroup.com. The information in this brochure has not been approved or verified by the SEC or by any state securities authority.

Additional information about CB&T also is available on the SEC's website at www.adviserinfo.sec.gov

ITEM 2: MATERIAL CHANGES

Form ADV Part 2A has been updated with language to reflect that CB&T will be providing investment management and trust services to high net-worth individuals and trusts through the Capital Group Private Client Services (“CGPCS”) division as of January 1, 2016. Form ADV Part 2A dated November 20th, 2015 has been updated to correct an inadvertent misstatement of assets anticipated to move to CB&T on January 1, 2016.

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ITEM 4: ADVISORY BUSINESS

CB&T is a wholly-owned subsidiary of The Capital Group Companies, Inc. The Capital Group Companies form one of the most experienced families of investment management firms in the world, dating to 1931, and have always been privately held. CB&T was formed in July 2000 as a federal savings bank.

CB&T offers both collective investment trusts and common trust funds (collectively, “commingled funds”), designed for retirement plans, foundations, endowments and other entities for which CB&T acts as investment manager and/or trustee. . CB&T serves as a discretionary trustee for these funds and oversees their formation and maintenance. CB&T may engage other service providers, including affiliates, to assist in administration and investment management of the commingled funds. It has retained Capital Guardian Trust Company and Capital Research and Management Company (“Advisers”) to serve as investment advisers to the trustee of the commingled funds.

As of January 1, 2016 CB&T will also provide investment management and trust services to high net-worth individuals and trusts through its Capital Group Private Client Services (“CGPCS”) division.

CB&T’s investment approach is based on rigorous fundamental research. CB&T offers equity, fixed-income, balanced, and other customized investment strategies based on the investment objectives of CB&T clients and funds. CB&T normally agrees to investment guidelines with clients that set forth the objectives of the account and any specific investment restrictions and limitations. The guidelines typically describe the investment mandate and types of securities that are eligible for (or prohibited from) the account. For investments in funds, the terms of the fund’s governing documents will apply. Please also refer to Items 8 (Methods of Analysis, Investment Strategies and Risk of Loss) and 16 (Investment Discretion) in this brochure for further information.

CB&T’s only business is investment management and related services; it does not have any arrangements on behalf of clients with associated banking, brokerage or corporate finance businesses.

CB&T also provides directed trustee services and custodial services to employer-sponsored retirement plans and individual retirement accounts invested in registered investment companies.

As of June 30, 2015, CB&T managed approximately \$11,139,986,291 in client assets (regulatory assets under management) on a discretionary basis and \$45,524,477 in client assets on a non-discretionary basis. Following the addition of the CGPCS division on January 1, 2016 we anticipate CB&T’s assets under management will increase by approximately \$20,360,000,000.

ITEM 5: FEES AND COMPENSATION

Generally, client's fees are not negotiable. In addition to the fee schedules outlined below, different fee schedules may apply for long standing clients as well as clients with customized mandates or special service needs. Client accounts also incur brokerage and other transaction costs. For further details on CB&T's brokerage policies please refer to Item 12 (Brokerage Practices) of this brochure.

Sales and marketing professionals may receive direct or indirect compensation related to the services CB&T provides. This presents a conflict of interest, as marketing and sales associates have an incentive to recommend services because of the compensation they are provided by CB&T.

With respect to the commingled funds: CB&T receives fees based on a percentage of the funds' assets under management. Such fees are paid monthly. The fees and expenses for each commingled fund, including any brokerage and transaction costs, are described in each fund's governing documents.

SERVICES TO CAPITAL GROUP PRIVATE CLIENT SERVICES ("CGPCS") CLIENTS

The fees below are for the investment management and trust services to high net worth individuals and trusts CB&T offers through the CGPCS division.

Investment Management Relationships

- Separate accounts
- Investments in investment companies for which CB&T or an affiliate serves as investment adviser
- Investments in privately-offered commingled funds that are exempt from registration
- Investments in alternative strategy and private equity funds managed by unaffiliated third parties
- Sub-advisory
- Model Investment Portfolios offered by unaffiliated third parties
- Trust services.

The fees and services discussed below are for separate accounts, mutual funds and commingled funds. For more detailed information regarding a specific fund, please refer to that fund's prospectus or other offering documents.

Calculation Methodology of Fees

Investment management and trustee fees will be calculated quarterly based on the average daily market value or the appraised value of the assets in the account. Administrative, service and custody fees will be calculated quarterly based on the three-month average market value or appraised value of the assets in the account on the last business day of each month. Valuations will be determined in good faith by CB&T, in accordance with customary methods.

Client fees are determined by applying a fee rate which will vary based on the investment mandate.

Compensation paid to Investment Counselors is based in part on the total fees paid by their clients to CB&T. Fee schedules may be modified by CB&T from time to time upon thirty (30) days' prior written notice.

Minimum Account Size

Please see the fee schedules below for the minimum account size for funds and each separate account. In some instances, the minimum may be waived due to the overall size of the client relationship or other factors.

Fees for Additional Services

CGPCS will charge a 0.25% administrative fee on accounts under \$3 million if a client's related accounts (as determined by CGPCS) do not exceed \$5 million in aggregate.

CGPCS will charge the greater of \$10,000 or 0.15% annually for CB&T to serve as trustee or co-trustee. This fee will not apply to IRA accounts.

CGPCS will charge an additional 0.06% fee to provide custody services through State Street Bank for individual securities invested in accounts holding U.S. Equities; 0.08% for Global Equities, 0.10% for Non-U.S. Equities, and 0.08% for All-World Equity.

Any extraordinary services rendered or expenses incurred by CB&T will be charged separately. Tax return preparation is charged according to the type of return required.

Any unpaid fees due to and unreimbursed expenses incurred by CB&T at the termination of an account may be deducted from the assets in the account.

Fee Discounts

A multiple account discount and/or revenue discount may be available to eligible accounts.

Mutual funds

The fees and services discussed below are for accounts invested in U.S. and non-U.S. investment companies. For detailed information regarding specific investment companies, please refer to that fund's offering documents.

With the exception of short term cash and ETFs, CGPCS, a division of CB&T, will make mutual fund investments only in mutual funds for which CB&T or an affiliate provides investment advisory and other services and receives a separate fee. CGPCS' investment management fee for mutual fund investments will be offset entirely by the investment management fees received by CB&T or its affiliates as adviser to any mutual fund. Certain of these mutual funds are also available for purchase through brokers or agents not affiliated with CB&T.

CGPCS will charge a 0.30% service fee on assets invested in shares of mutual funds advised by CB&T or its affiliates with the exception of mutual fund assets in the All-World Equity service. This fee covers account set up and maintenance, CGPCS statements, CB&T fiduciary services (for IRA accounts), tax filings, tax-lot accounting, and client service (including administrative and operational support).

Minimum account size:
\$1 million in assets

CGPCS Mutual Funds Fees

The Municipal Bond Funds and the Core Bond Fund pay all expenses not assumed by the investment adviser, including, but not limited to: custodian, stock transfer and dividend disbursing fees and expenses; shareholder recordkeeping and administrative expenses; costs of the designing, printing and mailing of reports, prospectuses, proxy statements and notices to shareholders; taxes; expenses of the issuance and redemption of fund shares (registration and qualification fees and expenses); legal, accounting and auditing expenses; compensation, fees and expenses paid to independent trustees (including legal counsel fees); association dues; cost of stationery and forms prepared exclusively for the funds; and costs of assembling and storing shareholder account data. The Equity Funds pay brokerage expenses, taxes, interest, compensation, fees and expenses of the independent trustees (including legal counsel fees) and

extraordinary expenses, such as litigation expenses. All other fees for the Equity Funds are paid by the investment adviser out of its management fee.

CB&T, as the investment adviser to these funds, receives a monthly fee based on the following annualized rates and net asset levels:

Capital Group Core Municipal Fund	0.35%
Capital Group Short-Term Municipal Fund	0.35%
Capital Group California Core Municipal Fund	0.35%
Capital Group California Short-Term Municipal Fund	0.35%
Capital Group Core Bond Fund	0.35%
Capital Group Global Equity Fund	0.85%
Capital Group International Equity Fund	0.85%
Capital Group U.S. Equity Fund	0.65%

Capital Group Emerging Markets Total Opportunities Fund

The Capital Group Emerging Markets Total Opportunities Fund pays all expenses not assumed by the investment adviser, including, but not limited to: custodian, stock transfer and dividend disbursing fees and expenses; shareholder recordkeeping and administrative expenses; costs of the designing, printing and mailing of reports, prospectuses, proxy statements and notices to shareholders; taxes; expenses of the issuance and redemption of fund shares (registration and qualification fees and expenses); legal and auditing expenses; compensation, fees and expenses paid to independent trustees (including legal counsel fees); association dues; cost of stationery and forms prepared exclusively for the fund; and costs of assembling and storing shareholder account data.

CB&T, as the investment adviser to the fund, receives a monthly fee based on the annualized rate of 1.00% of average daily net assets of the fund.

Capital Group Alternative Strategies Fund

All investors must have entered into an Investment Management Agreement (“IMA”) with CGPCS prior to investing in this fund which is managed by an unaffiliated third party. All investments into and withdrawals from the fund will be subject to the IMA. The terms here are summarized and not intended to replace the official Offering Memorandum and Limited Partnership agreement for the fund which is managed by an unaffiliated third party. In the event that the description or terms described herein are inconsistent with or contrary to the descriptions in or terms of the Offering Memorandum or the amended and restated Limited Partnership Agreement, the Offering Memorandum or amended and restated Limited Partnership Agreement shall control. Clients should thoroughly review these governing documents before investing in the fund.

Management and administrative fee of 1.60% on all assets. In addition, asset-based underlying manager fees generally expected to range from 1% to 3% and performance-based allocations or fees generally expected to range from 10% to 30% of net capital appreciation. Expenses for the Capital Group Alternative Strategies Master Fund will be capped at 0.10%. Expenses in the underlying Capital Group Alternative Strategies Feeder Fund will be capped at the greater of 0.10% of assets or a maximum of \$200,000 for the entire fund. This does not include any organizational or extraordinary expenses.

Capital Group Alternative Strategies Feeder Fund gates may limit withdrawals to no more than 10% each month and no more than 25% each quarter. Withdrawals in excess of 95% of assets will also be subject to a holdback. The balance will be paid following the final audit, which takes place approximately 180 days after calendar year-end.

Minimum account size:
\$500,000 for a new account for existing CGPCS clients.
\$5 million for a stand-alone account only investing in this fund.

HarbourVest Global Annual Private Equity Fund
HarbourVest 2015 Global Annual Private Equity Fund

All investors must have entered into an Investment Management Agreement (“IMA”) with CGPCS prior to investing in these funds which are managed by an unaffiliated third party. All investments into and withdrawals from the funds will be subject to the IMA. The terms here are summarized and not intended to replace the official Offering Memorandum and Limited Partnership agreement for the funds. In the event that the description or terms described herein are inconsistent with or contrary to the descriptions in or terms of the Offering Memorandum or the amended and restated Limited Partnership Agreement, the Offering Memorandum or amended and restated Limited Partnership Agreement shall control. Clients should thoroughly review these governing documents before investing in these funds.

Management and Administrative fees:
HarbourVest 0.85% average annual fee based on committed capital;
Capital Group fee 0.85% based on NAV
The partnerships in which the fund invests through primary or secondary deals also have fees and carried interest

Interest:
0% primary investments
12.5% on secondary investments, after an 8% gross secondary portfolio return
10% on direct co-investments, after an 8% gross direct portfolio return, 20% if above 2.0x

Organizational, investment acquisition, legal, accounting, regulatory, and certain other expenses of the funds will be paid by the funds and allocated in accordance with capital commitments to the funds. Placement fees, if any, will be paid by the funds but borne by the Manager through a 100% offset against the management fee.

Minimum account size:
\$250,000 for a new account for existing CGPCS clients.
\$5 million for a stand-alone account in these funds.

Sub-advisory Fees

Investment management fees for sub-advisory clients are generally higher than the corresponding rates for each of the investment mandates listed under the annual fee schedules below. Fees may also vary between accounts due to the size, relationship status of accounts and other relevant factors.

Model Investment Portfolios

On occasion, CGPCS may agree to a relationship with an unaffiliated third party involving the provision of model investment portfolios. Fees for such services will vary based on the relationship, services provided and other factors.

ANNUAL FEE SCHEDULES FOR INVESTMENT MANAGEMENT SERVICES FOR CGPCS CLIENTS

(Fees are expressed as a percentage of total assets. All assets are in stated U.S. dollars.)

U.S. Equity Investment Mandate for Separate Accounts

Assets:	Rate:
On the first \$5 million	1.00%
On the next \$5 million	0.80%
On the next \$15 million	0.60%
On the next \$25 million	0.40%
Assets over \$50 million	0.30%

Minimum account size:

U.S. clients: \$1 million in assets

Non-U.S. clients: \$10 million in assets

Custody fee: 0.06%

International Equity Investment Mandate for Separate Accounts

Assets:	Rate:
On the first \$10 million	1.25%
On the next \$15 million	0.85%
On the next \$25 million	0.65%
Assets over \$50 million	0.55%

Minimum account size:

U.S. clients: \$3 million in assets

Non-U.S. clients: \$10 million in assets

Custody fee: 0.10%

Global Equity Investment Mandate for Separate Accounts

Assets:	Rate:
On the first \$10 million	1.25%
On the next \$15 million	0.85%
On the next \$25 million	0.65%
Assets over \$50 million	0.55%

Minimum account size:

U.S. clients: \$3 million in assets

Non-U.S. clients: \$10 million in assets

Custody fee: 0.08%

World Dividend Growers Investment Mandate for Separate Accounts

Assets:	Rate:
On the first \$10 million	1.25%
On the next \$15 million	0.85%

On the next \$25 million	0.65%
Assets over \$50 million	0.55%

Minimum account size:

U.S. clients: \$3 million in assets

Non-U.S. clients: \$10 million in assets

Custody fee:	0.08%
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Core Bond Investment Mandate for Separate Accounts

Assets:	Rate:
On the first \$5 million	0.50%
On the first \$10 million	0.40%
On the next \$35 million	0.30%
Assets over \$50 million	0.20%

Minimum account size:

U.S. clients: \$5 million in assets

Non-U.S. clients: \$10 million in assets

Short-Term Bond Investment Mandate for Separate Accounts

Assets:	Rate:
On the first \$10 million	0.30%
On the first \$15 million	0.275%
Assets over \$25 million	0.225%

Minimum account size:

U.S. clients: \$5 million in assets

Non-U.S. clients: \$10 million in assets

Core Municipal Investment Mandate for Separate Accounts (Includes: California Core Municipal and New York Core Municipal)

Assets:	Rate:
On the first \$5 million	0.50%
On the next \$5 million	0.40%
On the next \$15 million	0.30%
On the next \$25 million	0.25%
Assets over \$50 million	0.20%

Minimum account size:

U.S. clients: \$5 million in assets

(Not available to Non-U.S. clients)

Short Term Municipal Investment Mandate for Separate Accounts (Includes: California Short-Term Municipal)

Assets:	Rate:
On the first \$10 million	0.30%
On the next \$15 million	0.25%
On the next \$25 million	0.20%

Minimum account size:
U.S. clients: \$5 million in assets
(Not available to Non-U.S. clients)

**ANNUAL FEE SCHEDULES FOR INVESTMENT MANAGEMENT SERVICES FOR CGPCS
CLIENTS COVERED BY CGPCS PRINCIPAL CONSULTING PARTNERS CLIENTS:**

Principal Consulting Partners Fee Schedule applies for clients represented by consulting firms where total aggregate CG PCS assets exceed \$100 million.

(Fees are expressed as a percentage of total assets. All assets are in stated U.S. dollars.)

U.S. Equity Investment Mandate for Separate Accounts

For separate accounts:

Assets:	Rate:
On the first \$25 million	0.500%
On the next \$25 million	0.350%
Assets over \$50 million	0.225%

Minimum account size:
Separate accounts: \$3 million
Custody Fee: 0.04%

**U.S. Core Bond, U.S. Short-Term Bond, U.S. Core Municipal, and U.S. Short-Term Municipal
Fixed-Income Investment Mandates for Separate Accounts**

For separate accounts:

Assets:	Rate:
On the first \$50 million	0.30%
On the next \$50 million	0.20%
On the next \$200 million	0.18%
Assets over \$300 million	0.15%

Minimum account size:
Separate accounts: \$5 million
Custody Fee: 0.02%

**Global Equity, Non-U.S. Equity, All-World Equity*, and World Dividend Grower Investment
Mandates for Separate Accounts**

For separate accounts:

Assets:	Rate:
On the first \$25 million	0.700%
On the next \$25 million	0.550%
On the next \$200 million	0.425%
Assets over \$250 million	0.375%

Minimum account size
Separate accounts: \$5 million
Custody Fee: 0.06%

*Does not apply to portion of assets invested in the Emerging Markets Growth Fund or Capital International Emerging Markets Fund

Administration Fee:

CGPCS will charge an administration fee in addition to the Separately Managed Fees noted above. This fee covers account set up and maintenance, CGPCS statements, CB&T fiduciary services (for IRA accounts), tax filings, tax-lot accounting, and client service (including administrative and operational support).

Administration Fee Schedule:

Client advisory assets less than \$10 million: 0.10%

Client advisory assets between \$10 million and \$50 million: 0.05%

Client advisory assets equal to or greater than \$50 million: 0.00%

Administration Fee will be assessed only on the separately managed allocation of a client's investment with CGPCS.

ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

CB&T charges asset-based fees for providing investment advisory services and does not provide performance based fees.

However, certain portfolio managers may also manage assets for the accounts and funds advised by affiliates of CB&T. In limited circumstances, CB&T's affiliates may receive fees that are based on the performance of the account. Managing both types of accounts simultaneously creates a risk of conflicts for the portfolio manager to (i) allocate more attractive investment opportunities to accounts with performance-based fees and/or (ii) make investments for those accounts that are more speculative than for accounts that do not have performance-based fees.

CB&T and its affiliates have adopted allocation policies that are designed in part to address these potential conflicts of interest. See Item 12 (Brokerage Practices) of this Brochure for CB&T's policy on allocating trades fairly, which is designed to allocate trades to clients in a fair and equitable manner over time, taking into consideration the interests of each client. Non-investment factors, such as fee arrangements, are not considered in selecting clients or allocating trades.

In addition, while CB&T and its affiliates provide individual investment advice and treatment to each fund and account, portfolio managers focus on particular investment mandates, using similar investment strategies in connection with the management of multiple portfolios, which helps minimize the potential for conflicts of interest. CB&T reviews accounts with similar objectives managed by CB&T and its affiliate at least annually. These reviews generally include, among other things, information related to investment results, including dispersion of results among accounts and reasons for such dispersion, if any, significant account guidelines and the investment structure of the portfolio.

ITEM 7: TYPES OF CLIENTS

CB&T provides directed trustee services and custodial services to employer-sponsored retirement plans and individual retirement accounts invested in registered investment companies, but does not offer discretionary investment advisory services to these clients.

CB&T also provides investment management and trust services to high net worth individuals and trusts through the CGPCS division. CB&T manages CGPCS client assets in separate accounts, commingled funds, and registered investment companies for which CB&T or one of the Advisers serve as investment adviser.

With respect to commingled funds: CB&T serves as a discretionary trustee for commingled funds generally designed for retirement plans, foundations, endowments and other entities. These entities may also sign an agreement with CB&T to serve as fiduciary solely as it relates to such investments. However, outside of the CGPCS business, CB&T does not exercise discretion with regard to a particular client's decision to invest in one or more commingled fund.

While there is no stated minimum fund size, participants in the commingled funds who are not CGPCS clients may be subject to minimum account sizes to invest in the funds, as outlined in the respective Advisers' Form ADV. To the extent a client has signed an agreement directly with CB&T, fees and any required minimum account sizes are outlined within the agreement. Due to the nature of the plans, minimum size requirements are not imposed on unit classes of funds designed for use primarily by defined contribution plans. In some instances, the minimum may be waived due to the overall size of the client relationship or other factors.

With respect to CGPCS clients: Accounts are generally subject to a minimum account size. Please refer to Item 5 (Fees and Compensation) for information on minimum account sizes.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

CB&T and the Advisers maintain an investment philosophy that is distinguished by key beliefs and practices:

- Solid research is fundamental to sound investment decisions. CB&T and the Advisers employ teams of experienced analysts who regularly gather in-depth, first-hand information on markets and companies around the globe. In addition to providing extensive research, investment professionals go to great lengths to determine the difference between the fundamental value of a company/security and its price in the marketplace.
- A long-term approach. It's part of the big-picture view investment professionals take of the companies in which they invest. This is reflected by the typically low turnover of portfolio holdings. In addition, investment professionals usually remain with us for many years and are compensated according to their investment results over time.
- The Capital System. CB&T and the Advisers use a system of multiple portfolio managers in managing most separate account and fund assets. Under this approach, the portfolio of an account or fund is divided into segments managed by individual managers who decide how their respective segments will be invested. In addition, investment analysts may make investment decisions with respect to a portion of the portfolio. Over time, this method has contributed to consistency of results and continuity of management.

Investment decisions are subject to a portfolio's objective(s), investment guidelines, restrictions, and oversight of the relevant Adviser's investment committees. The objective(s), policies and restrictions of each of the funds offered by CB&T are set forth in the governing documents of the fund. Investment strategies offered by CB&T include:

Equity strategies

U.S. Equity — Seeks long-term growth of capital and income. Invests primarily in equity and equity related securities consisting primarily of equity securities of issuers from the U.S. or primarily traded in the U.S.

International Equity — Seeks long-term growth of capital and income. Invests in a portfolio consisting primarily of equity securities of non-U.S. issuers and securities whose principal markets are outside of the U.S.

Global Equity — Seeks long-term growth of capital and income. Invests in a portfolio consisting primarily of equity and equity related securities of U.S. and non-U.S. issuers.

All Country World Equity — Seeks long-term growth of capital and income. Invests in a portfolio consisting primarily of equity and equity related securities of issuers from all countries. Assets will be invested with geographical flexibility across developed and developing countries.

World Growth and Income — Seeks long-term growth of capital while providing current income. Invests primarily, on a global basis, in equity and equity-related securities that are denominated in U.S. dollars or other currencies. May also invest a portion of its assets in securities of emerging market issuers.

International All Countries Equity — Seeks long-term growth of capital and income. Invests in a portfolio consisting primarily of equity securities of issuers from all countries excluding the United States

or that are primarily traded outside the United States. Assets will be invested with geographical flexibility across developed and developing countries.

International Growth and Income — Seeks long-term growth of capital while providing current income. Invests primarily in securities of issuers outside the United States and whose securities are primarily listed on exchanges outside the United States, and cash and cash equivalents. May also invest a portion of its assets in securities of emerging market issuers.

Emerging Markets Equity — Seeks long-term capital growth. Invests in a portfolio consisting primarily of equity and equity related securities of developing countries that are primarily traded in developing countries, are from issuers in developing countries, or that are from issuers that have or are expected to have significant economic exposure to developing countries.

Fixed-Income strategies

U.S. Core Fixed-Income — Seeks over the long-term high total return consistent with the conservation of capital. Investments primarily in fixed income securities that are rated Baa3 or better or BBB- or better by a nationally recognized statistical rating organization, unrated securities which are deemed to be of equivalent investment quality; or issued or guaranteed by the U.S. Government or its agencies and/or instrumentalities; as well as cash and cash equivalents.

Long Duration Government — Seeks to maximize total return over the long-term. Invests in fixed-income securities, denominated in U.S. dollars and generally with a remaining maturity of 8 years or longer. Generally, at least 80% of the portfolio will be invested in securities that are issued, guaranteed or sponsored by the U.S. government, including securities issued by federal agencies and instrumentalities that are not backed by the full faith and credit of the U.S. government. Up to 20% of the fund or account may be invested in securities issued by foreign governments, their agencies and instrumentalities, and multilateral and supranational institutions.

Long Duration Credit — Seeks to maximize total return over the long-term. Invests primarily in corporate fixed-income securities rated Baa3 or better or BBB or better by a nationally recognized statistical rating organization, or unrated securities which are deemed to be of equivalent investment quality. May also invest in other fixed-income securities with the same minimum ratings or investment quality as above, and cash or cash equivalents.

U.S. High-Yield — Seeks, over the long term, a high level of total return, of which a large component is current income. Invests primarily in fixed-income securities denominated in U.S. dollars with at least 75% total assets must be invested in fixed-income securities rated Ba or lower or BB or lower by a nationally recognized statistical rating organization, or unrated securities which are deemed to be of equivalent investment quality, and cash and cash equivalents.

Core Municipal Bonds - seeks to provide current income exempt from federal income tax while preserving the investment. Invests primarily in bonds (for purposes of this limit, bonds include any debt instrument and cash equivalents, and may include certain preferred securities).

Short-Term Municipal Bonds – seeks to preserve the investment and secondarily to provide current income exempt from federal income tax. Invests primarily in municipal bonds.

California Core Municipal Bonds – seeks to provide current income exempt from federal and California income taxes while preserving the investment. Invests primarily in municipal bonds issued by the state of California and its agencies and municipalities.

California Short-Term Municipal Bonds – seeks to preserve the investment and secondarily to provide current income exempt from federal and California income taxes. Invests primarily in municipal bonds issued by the state of California and its agencies and municipalities.

International Fixed-Income — Seeks to provide, over the long term, a high level of total return, measured in U.S. dollars, consistent with the conservation of capital. Invests primarily in securities issued or guaranteed by a national government, its agencies and/or instrumentalities; fixed-income securities rated Baa3 or better or BBB- or better by a nationally recognized statistical rating organization, or unrated securities which are deemed to be of equivalent investment quality, cash and cash equivalents; and forward currency contracts or currency options.

Global Fixed-Income — Seeks, over the long term, a high level of total return, measured in U.S. dollars, consistent with the conservation of capital. Invests primarily in securities issued or guaranteed by a national government, its agencies and/or instrumentalities, corporate issuers, or a supranational organization, and in other fixed income securities including mortgage and asset backed securities, denominated in various currencies.

Global High-Income Opportunities — Seeks over the long-term a high level of total return, of which a large component is current income, by investing primarily in high-yield sovereign and corporate fixed-income securities denominated in currencies from around the world, including the securities of U.S. and developing country issuers.

Emerging Markets Debt — Seeks, over the long-term, high total return, of which a large component is current income, by investing primarily in sovereign and corporate issuers in developing countries, in countries rated Ba or lower or BB or lower by a nationally recognized statistical rating organization; or (3) in countries that are on an International Monetary Fund (“IMF”) program, have outstanding liabilities to the IMF, or have exited an IMF program no more than 5 years earlier.

Balanced and total opportunity strategies

Absolute Income Grower — Seeks a level of income that exceeds the average yield on U.S. stocks generally, to grow such income annually, and to distribute an increasing amount of income. In addition, seeks to provide long-term growth of capital. Invests primarily in a broad range of income producing equity and fixed-income securities of U.S. and non-U.S. issuers.

World Dividend Growers — Seeks long-term growth of capital and income. Invests primarily in equity and equity-related securities of companies that may increase the dividends paid to shareholders over a multiyear period.

Emerging Markets Total Opportunities – Seeks long-term capital growth with low volatility of returns and preservation of capital. Invests primarily in equity, equity-related, and fixed-income securities of from issuers in developing countries; are primarily traded in developing countries; are denominated in developing country currencies; or are from issuers with significant economic exposure to developing countries.

Investing in securities involves risk of loss that funds and clients should be prepared to bear. Each account or fund is subject to certain risks associated with the investment strategy employed by CB&T and its affiliates and in accordance with the fund’s policies and restrictions. These risks may include, but are not limited to, certain of the risks set forth below.

- ***Management*** — CB&T and its affiliates actively manage fund investments. Consequently, funds are subject to the risk that the methods and analyses employed by CB&T, and the investment advisers it may hire, in this process may not produce the desired results. This could cause the assets of these funds to lose value or their investment results to lag relevant benchmarks or other funds with similar objectives.

- ***Market conditions*** — The prices of, and income generated by, the common stocks and other securities held by the accounts or funds may decline – sometimes rapidly or unpredictably – due to market conditions and other factors, including events or conditions affecting the general economy or particular industries; overall market changes; local, regional or global political, social or economic instability; governmental or governmental agency responses to economic conditions; and currency, interest rate and commodity price fluctuations.
- ***Investing in growth-oriented stocks*** — Growth-oriented common stocks and other equity-type securities (such as preferred stocks, convertible preferred stocks and convertible bonds) may involve larger price swings and greater potential for loss than other types of investments. These risks may be heightened in the case of smaller capitalization stocks.
- ***Investing in income-oriented stocks*** — Income may be reduced by changes in the dividend policies of, and the capital resources available at, the companies in which a fund invests.
- ***Investing in small companies*** — Investing in smaller companies may pose additional risks. For example, it is often more difficult to value or dispose of small company stocks and more difficult to obtain information about smaller companies than about larger companies. Furthermore, smaller companies often have limited product lines, operating histories, markets and/or financial resources, may be dependent on one or a few key persons for management, and can be more susceptible to losses. Moreover, the prices of their stocks may be more volatile than stocks of larger, more established companies.
- ***Investing outside the United States*** — Securities of issuers domiciled outside the United States, or with significant operations outside the United States, may lose value because of adverse political, social economic or market developments (including social instability, regional conflicts, terrorism and war) in the countries or regions in which the issuer operates. These securities may also lose value due to changes in foreign currency exchange rates against the U.S. dollar and/or currencies of other countries. Securities markets in certain countries may be more volatile and/or less liquid than those in the United States. Investments outside the United States may also be subject to different settlement and accounting practices and different regulatory, legal and reporting standards, and may be more difficult to value, than those in the United States. In addition, the value of investments outside the United States may be reduced by foreign taxes, including foreign withholding taxes on interest and dividends. Further, there may be increased risks of delayed settlement of securities transactions. These risks may be heightened in connection with investments in emerging market and developing countries.
- ***Investing in emerging market countries*** — Investing in emerging markets may involve risks in addition to and greater than those generally associated with investing in developed countries. For instance, emerging market and developing countries may have less developed legal and accounting systems than those in developed countries. The governments of these countries may be more unstable and more likely to impose capital controls, nationalize a company or industry, place restrictions on foreign ownership and on withdrawing sale proceeds of securities from the country, and/or impose punitive taxes that could adversely affect the prices of securities. In addition, the economies of these countries may be dependent on relatively few industries that are more susceptible to local and global changes. Securities markets in these countries can also be relatively small and have substantially lower trading volumes. As a result, securities issued in these countries may be more volatile and less liquid, and may be more difficult to value, than securities issued in countries with more developed economies and/or markets. Less certainty with respect to security valuations may lead to additional challenges and risks in calculating for a fund's net asset value. Additionally, there may be increased settlement risks for transactions in local securities.
- ***Investing in debt instruments*** — The prices of, and the income generated by, bonds and other debt securities held by the fund may be affected by changing interest rates and by changes in the effective

maturities and credit ratings of these securities. Rising interest rates will generally cause the prices of bonds and other debt securities to fall. Falling interest rates may cause an issuer to redeem, call or refinance a debt security before its stated maturity, which may result in the fund having to reinvest the proceeds in lower yielding securities. Longer maturity debt securities generally have greater sensitivity to changes in interest rates and may be subject to greater price fluctuations than shorter maturity debt securities. Bonds and other debt securities are also subject to credit risk, which is the possibility that the credit strength of an issuer will weaken and/or an issuer of a debt security will fail to make timely payments of principal or interest and the security will go into default. Lower quality debt securities generally have higher rates of interest and may be subject to greater price fluctuations than higher quality debt securities. Credit risk is gauged, in part, by the credit ratings of the debt securities in which the fund invests. However, ratings are only the opinions of the rating agencies issuing them and are not guarantees as to credit quality or an evaluation of market risk. CGTC and its affiliates rely on their own credit analysts to research issuers and issues in seeking to mitigate various credit and default risks.

- ***Investing in lower rated bonds*** — Lower rated bonds and other lower rated debt securities generally have higher rates of interest and involve greater risk of default or price declines due to changes in the issuer’s creditworthiness than those of higher quality debt securities. The market prices of these securities may fluctuate more than the prices of higher quality debt securities and may decline significantly in periods of general economic difficulty. These risks may be increased with respect to investments in lower quality, higher yielding debt securities (generally rated Ba1 or below and BB+ or below or unrated but determined by the Advisers to be of equivalent quality (“junk bonds”)).
- ***Municipal Bonds*** — Investing significantly in municipal obligations of issuers in the same state or backed by revenues of similar types of projects or industries may make the fund more susceptible to certain economic, political or regulatory occurrences. As a result, the potential for fluctuations in the fund’s share price may increase.
- ***Investing in derivatives*** — Derivatives may expose funds and accounts to certain additional risks relative to traditional securities such as credit risks of the counterparty, imperfect correlation between derivatives prices and prices of related assets, rates or indices, potential for increased volatility and reduced liquidity. CB&T and its affiliates may use derivatives to, among other things, manage foreign currency exposure, provide liquidity, obtain exposure not otherwise available, manage risk, manage duration, provide incremental yield and implement investment strategies in a more efficient manner.
- ***Investing in mortgage-related and other asset backed securities*** — Mortgage-related securities, such as mortgage-backed securities, and other asset-backed securities, include debt obligations that represent interests in pools of mortgages or other income-bearing assets, such as consumer loans or receivables. Such securities often involve risks that are different from or more acute than the risks associated with investing in other types of debt securities. Mortgage-backed and other asset-backed securities are subject to changes in the payment patterns of borrowers of the underlying debt. When interest rates fall, borrowers are more likely to refinance or prepay their debt before its stated maturity. This may result in the fund having to reinvest the proceeds in lower yielding securities, effectively reducing the fund’s income. Conversely, if interest rates rise and borrowers repay their debt more slowly than expected, the time in which the mortgage-backed and other asset-backed securities are paid off could be extended, reducing the fund’s cash available for reinvestment in higher yielding securities.
- ***Investing in future delivery contracts*** — An account or fund may enter into contracts, such as to-be-announced contracts and mortgage dollar rolls, that, involve the account or fund selling mortgage-related securities and simultaneously contracting to repurchase similar securities for delivery at a future date at a predetermined price. This can increase the account or fund’s market exposure and the market price of the securities the fund contracts to repurchase could drop below their purchase price. While the account or fund can preserve and generate capital through the use of such contracts by, for

example, realizing the difference between the sale price and the future purchase price, the income generated by the account or fund may be reduced by engaging in such transactions. In addition, these transactions may increase the turnover rate of the account or fund.

- ***Investing in thinly traded securities*** – There may be little trading in the secondary market for particular bonds or other debt securities, which may make them more difficult to value, acquire, or sell.
- ***Currency*** — The prices of, and the income generated by, many securities may also be affected by changes in relative currency values. If the U.S. dollar appreciates against foreign currencies, the value in U.S. dollars of the a fund or account’s securities denominated in such currencies would generally fall and vice versa. U.S. dollar denominated securities of foreign issuers may also be affected by changes in relative currency values.
- ***Loss of investment*** — An investor may lose money by investing in an account or fund. The likelihood of loss may be greater if the investor invests for a shorter period of time.
- ***Investments are not guaranteed*** — Investments in accounts and funds are not bank deposits and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency, entity or person.
- ***Past investment results are not predictive of future results.***

Clients should also refer to account guidelines as well as to each fund’s governing documents or other disclosure documents for further information on methods of analysis, investment strategies and risks specific to their fund investment.

ITEM 9: DISCIPLINARY INFORMATION

Neither CB&T nor its management persons have been the subject of legal or regulatory findings, or are the subject of any pending criminal proceedings that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our firm.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

CB&T has arrangements material to its advisory business, and/or may share supervised persons, with certain affiliated entities as described below.

Broker-dealer

American Funds Distributors, Inc. (“AFD”) is a registered broker-dealer and a member of the Financial Industry Regulatory Authority and Municipal Securities Rulemaking Board. AFD acts as the principal underwriter and distributor of mutual funds, including investment companies advised and administered by CB&T’s affiliates, and provides related services. In addition, certain of CB&T’s management persons are registered representatives of AFD. American Funds Distributors, Inc. is also registered as an insurance agency or producer in certain states. American Funds Distributors, Inc. is also an investment adviser which provides investment advisory related services in connection with various wrap-fee programs sponsored by unaffiliated broker-dealers or other financial institutions, where CB&T’s affiliates may be retained as an investment manager.

Registered Investment Companies

Capital Guardian Trust Company (“CGTC”) and Capital Research and Management Company (“CRMC”) serve as investment advisers for investment companies registered under the Investment Company Act of 1940. CGTC and CRMC receive advisory and other fees and expenses from each fund based upon the value of the fund’s assets; those fees are described in each fund’s governing documents. CRMC is also registered as a commodity pool operator and a member of the National Futures Association. Some of CRMC’s Associated Persons are also management persons of CB&T.

Unregistered Collective Investment Funds

CB&T serves as the discretionary trustee to privately-offered collective investment funds that are exempt from registration. CGTC and CRMC serve as investment advisers to CB&T for these commingled funds. CB&T, CRMC, and CGTC all receive compensation in connection with their services to the commingled funds. Fees are described in each fund’s governing documents.

Investment Advisers

CB&T receives investment advisory and related services from CGTC and CRMC, both registered investment advisers. CGTC and CRMC share supervised persons with CB&T. One management person of CB&T is also an Associated Person of CRMC, which is also a commodity pool operator.

Capital International, Inc. is a registered investment adviser with whom CB&T shares supervised persons.

In addition, certain portfolio managers employed by the following affiliated investment advisers based outside the U.S. may, under the supervision and review of CB&T or its affiliates, determine the securities to be purchased and sold for the commingled funds and/or CGPCS accounts:

Capital International Limited (“CIL”) is based in the U.K. and has been authorized by the U.K. Financial Conduct Authority to provide investment advisory and asset management services.

Capital International Sarl (“CISA”) is based in Switzerland and has been authorized by the Financial Markets Supervisory Authority to provide investment advisory services.

Neither CIL nor CISA is registered as an investment adviser under the Investment Advisers Act of 1940 and each is deemed to be a “Participating Affiliate” of CB&T and its affiliates, as this term has been used

by the SEC's Division of Investment Management in various no-action letters granting relief from the Advisers Act's registration requirements for certain affiliates of registered investment advisers.

Trust Companies

CGTC, a non-depository trust company chartered under California banking laws, provides investment advisory services to CB&T.

ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

CB&T and its affiliated companies have adopted a Code of Ethics for its associates (Code of Ethics) that requires all associates: (1) act with integrity, competence and in an ethical manner; (2) comply with applicable U.S. federal securities laws, as well as all other applicable laws, rules and regulations; and (3) promptly report violations of the Code of Ethics. All associates are required to certify at least annually that they have read and understand the Code. A copy of the Code of Ethics is available to clients and prospective clients upon request and on americanfunds.com.

The Code of Ethics includes:

- Protection of Non-Public Information: Policies and procedures designed to prevent and detect the misuse of material non-public information by associates. These procedures require all associates who believe they may be in possession of material non-public information regarding an issuer to notify the Legal Department, which will determine the appropriate actions to be taken.
- Personal Investing: Policies related to personal investing by associates. The policies ban excessive trading of any Capital-managed investment vehicles worldwide, including the American Funds. Associates generally may not participate in the acquisitions of securities in initial public offerings. Additional restrictions apply to associates with access to non-public information relating to current or imminent fund/client transactions, investment recommendations or fund portfolio holdings (covered associates). Covered associates generally may not effect securities transactions for their own account when any investment advisory account is transacting in the issuer in question. All such covered associates must report their securities transactions on a quarterly basis and disclose their holdings annually. Covered associates must pre-clear certain personal security transactions and special review of private placements is required. Additional restrictions and reporting apply to investments professionals, including blackout periods on personal investing and a ban on short-term trading.
- Gifts and Entertainment: Policy prohibiting the acceptance and extension of gifts or entertainment that are excessive, repetitive or extravagant, if such gifts or entertainment are in relation to Capital's business. Procedures include quarterly reporting of gifts or entertainment received or offered, a dollar limit on gifts that can be accepted from any one source during a calendar year, and pre-clearance of entertainment beyond a certain dollar limit.
- Political Contributions: Policy governing political contributions and/or other activities that directly support officials, candidates, or organizations that may be in a position to influence decisions to award business to investment management firms. Specific rules exist for political contributions and activities within the U.S. and associates are required to seek preclearance and approval for political contributions to state and local government officials (or candidates for those positions).

Participation or Interest in Client Transactions

In addition, CB&T or its affiliates may recommend that clients invest in limited partnerships, pooled funds or mutual funds managed by CB&T or its affiliates. Additionally, CB&T, in its fiduciary capacity, may invest CGPCS client assets in certain of these funds. In all cases, the nature and scope of the financial interest (e.g., investment management fees or economic interest in such partnerships or funds) is disclosed.

CB&T's employees may also purchase shares in certain pooled funds advised by CB&T or an affiliate of CB&T. Such purchases may take place either through their personal account or through retirement plans sponsored by The Capital Group Companies, Inc., the parent company of CB&T. All such transactions are conducted at net asset value and in accordance with the purchase and redemption provisions as described in either the prospectus or offering memorandum of the fund.

ITEM 12: BROKERAGE PRACTICES

CB&T receives investment advisory services from affiliated investment advisers who execute trades for the commingled funds and has adopted each adviser's Best Execution Policy. Please refer to the ADV Part 2A Brochures of our affiliated registered investment advisers, CRMC, and CGTC for more information about their brokerage practices. CB&T will provide a copy of these materials to its clients upon request.

For CGPCS clients:

Selecting Broker-Dealers

Portfolio Transactions

CB&T and their affiliates place orders with broker-dealers for clients' portfolio transactions. Purchases and sales of equity securities on a securities exchange or an over-the-counter market are affected through broker-dealers who receive commissions for their services. Purchases and sales of fixed-income securities and currency foreign exchange transactions are generally made with an issuer or a primary market-maker acting as principal with no stated brokerage commission. Prices for fixed-income securities in secondary trades usually include undisclosed compensation to the market-maker reflecting the spread between the bid and ask prices for the securities. The prices for equity and fixed-income securities purchased in primary market transactions, such as initial public offerings, new fixed-income issues, secondary offerings and private placements, may include underwriting fees.

Best Execution

When executing portfolio transactions on behalf of its clients and clients of its affiliates, CB&T and its affiliates strive to obtain "best execution" (the most favorable total price reasonably attainable under the circumstances) for their clients' portfolio transactions, taking into account a variety of factors. These factors include the size and type of transaction, the nature and character of the markets for the security to be purchased or sold, the cost, quality, likely speed and reliability of execution and settlement, the broker-dealer's or execution venue's ability to offer liquidity and anonymity, and the potential for minimizing market impact. CB&T considers these factors, which involve qualitative judgment, when selecting broker-dealers and execution venues for its clients' portfolio transactions. CB&T views best execution as a process that should be evaluated over time as part of an overall relationship with particular broker-dealer firms. In this regard, CB&T does not consider itself as having an obligation to obtain the lowest available commission rate for a portfolio transaction to the exclusion of price, service and qualitative considerations. Brokerage commissions are only a small part of total execution costs and other factors, such as market impact and speed of execution, contribute significantly to overall transaction costs.

Oversight

The Capital Group Companies Equity Trading Best Execution Committee, and the Capital Group Companies Fixed-Income Best Execution Committee provide oversight to policies, procedures and practices relating to best execution.

The Equity Trading Best Execution Committee meets periodically to review current equity trading practices and reviews overall quality of execution and trades. The Equity Trading Best Execution Committee also reviews equity trading policies and approves changes as appropriate.

The Capital Group Companies Commission Management Committee provides oversight of Capital Group's commission management program. The Commission Management Committee and other senior

managers oversee brokerage and research services and receive periodic commission reports produced from an automated system.

The Fixed-Income Best Execution Committee meets periodically to review current fixed-income trading practices and overall quality of execution for fixed-income and foreign exchange trades.

Commission Rates

CB&T and its affiliates negotiate commission rates with brokers based on what they believe is reasonably necessary to obtain best execution. CB&T and its affiliates do not consider the appropriate commission to necessarily be the lowest available commission, but attempt to maximize the overall benefits received by their clients for their commissions. Commission rates vary based on the nature of the transaction, the market in which the security is traded and the venue chosen for trading, among other factors.

CB&T and its affiliates seek, on an ongoing basis, to determine what the reasonable levels of commission rates are in the marketplace in respect of both execution and research, taking various considerations into account when evaluating such reasonableness, including the extent to which a broker-dealer has put its own capital at risk, historical commission rates, commission rates that other institutional investors are paying, and the provision of brokerage and research products and services.

Brokerage and Investment Research Services

CB&T and its affiliates may execute portfolio transactions with broker-dealers who provide certain brokerage and/or investment research services to CB&T and its affiliates, either directly or through a commission sharing arrangement, but only when in CB&T's and its affiliates' judgment the broker-dealer is capable of providing best execution for that transaction. The receipt of these services permits CB&T and each affiliate to supplement its own research and analysis and makes available the views of, and information from, individuals and the research staffs of other firms. These services may include, among other things, reports and other communications with respect to individual companies, industries, countries and regions, economic, political and legal developments, as well as scheduling meetings with corporate executives and seminars and conferences related to relevant subject matters. This information may be provided in the form of written reports, telephone contacts and meetings with securities analysts. CB&T and its affiliates consider these services to be supplemental to their own internal research efforts and therefore the receipt of investment research from broker-dealers does not tend to reduce the expenses involved in CB&T's and its affiliates' research efforts. If broker-dealers were to discontinue providing such services it is unlikely CB&T and its affiliates would attempt to replicate them on their own, in part because such services would no longer provide an independent, supplemental viewpoint. Nonetheless, if it were to attempt to do so, CB&T and its affiliates would incur substantial additional costs. CB&T and its affiliates could be perceived to have an incentive to select a broker-dealer based on their interest in receiving such research services. CB&T and its affiliates have processes in place to minimize the potential for conflicts of interest in this area.

CB&T and its affiliates may pay commissions in excess of what other broker-dealers might have charged for certain portfolio transactions in recognition of brokerage and/or investment research services. In this regard, CB&T and its affiliates have adopted a brokerage allocation procedure consistent with the requirements of Section 28(e) of the U.S. Securities Exchange Act of 1934. Section 28(e) permits CB&T to pay a higher commission to a broker-dealer to compensate the broker-dealer or another service provided for certain brokerage and/or investment research services provided to CB&T and its affiliates, if CB&T and each affiliate makes a good faith determination that such commissions are reasonable in relation to the value of the services provided to CB&T and its affiliates in terms of that particular transaction or CB&T's or its affiliates overall responsibility to their clients.

Certain brokerage and/or investment research services may not necessarily benefit all accounts paying commissions to a broker-dealer, therefore, CB&T and its affiliates assess the reasonableness of

commissions in light of the total brokerage and investment research services provided to CB&T and its affiliates. Further, research services may be used by all investment associates of CB&T and its affiliates regardless of whether they advise accounts with trading activity that generates eligible commissions. In accordance with its internal brokerage allocation procedure, CB&T and its affiliates periodically assess the brokerage and investment research services provided by each broker-dealer and each other service provider from whom they receive such services.

As part of ongoing relationships, CB&T and its affiliates routinely meet with firms to discuss the level and quality of the brokerage and research services provided, as well as the value and cost of such services. In valuing the brokerage and investment research services CB&T and its affiliates receive from broker-dealers and other research providers in connection with its good faith determination of reasonableness, CB&T and its affiliates take various factors into consideration, including the quantity, quality and usefulness of the services to CB&T and its affiliates. Based in this information and applying their judgment, CB&T and its affiliates set an annual research budget.

Research analysts and portfolio managers periodically participate in a research provider poll to determine the usefulness and value of the research provided by individual broker-dealers and research providers. Based on the results of this research provider poll, CB&T and its affiliates may, through commission sharing arrangements with certain broker-dealers, direct a portion of commissions paid to a broker-dealer to be used to compensate the broker-dealer for proprietary research or to be paid to a third-party research provider for research it has provided. CB&T and its affiliates believe that by allocating eligible commissions between research and execution they are better able to obtain the highest quality execution and research services. While CB&T and its affiliates may negotiate commission rates and enter into commission sharing arrangements with certain broker-dealers with the expectation that such broker-dealers will be providing brokerage and research services, none of CB&T, any of its affiliates or any of their clients incurs any obligation to any broker-dealer to pay for research by generating trading commissions.

Program trades

CB&T may execute program trades separately from other aggregated orders when it believes it may do so without a material impact on those other orders. Program trades generally take place when opening a new client account or rebalancing a client account due to differing cash flows, in each case when the client account is designed to be substantially similar to another account, or when liquidating an existing account.

Cross Trades

As part of its authority to invest client assets on a discretionary basis, CB&T may place cross-trades between client accounts managed by CB&T and its affiliates from time to time. CB&T recognizes that a potential conflict of interest may exist when placing trades between client accounts. To address such potential conflicts, CB&T maintains cross-trade policies and procedures and places a cross-trade under those limited circumstances when such a trade: (a) is in the best interest of all participating clients and (b) is not prohibited by the participating clients' investment management agreement or applicable law.

Exchange or alternative trading system ownership

An affiliate of CB&T currently owns an interest in IEX Group and Luminex Trading and Analytics. CB&T may place orders on these or other exchanges or alternative trading systems in which it, or one of its affiliates, has an ownership interest, provided such ownership interest is less than five percent of the total ownership interests in the entity. CB&T is subject to the same best execution obligations when trading on any such exchange or alternative trading system.

Sale of Fund Shares Not Considered

CB&T may place orders for a client's portfolio transactions with broker-dealers who have sold shares in the funds managed by CB&T or its affiliated companies; however, it does not consider whether a broker-dealer has sold shares of the funds managed by CB&T or its affiliated companies when placing any such orders for a client's portfolio transactions.

Client Referrals

CB&T does not consider client referrals from a broker-dealer or third party in selecting or recommending broker-dealers.

Directed Brokerage

In some instances, CB&T or its affiliates will accept a client's instructions to direct a portion of the account's brokerage commissions to a particular broker or group of brokers so long as the direction is consistent with CB&T's policy of seeking best execution. CB&T's ability to meet client direction requests will depend on the broker(s) selected by the client and the securities and markets in which the account invests, among other factors. Furthermore, CB&T and its affiliates will only accept requests to direct brokerage from clients who are subject to ERISA only if the client's direction program complies with ERISA.

Occasionally, clients direct CB&T to place all or a portion of their account's annual brokerage costs to one or several broker-dealers and do not require that directed trades be subject to CB&T's policy of seeking best execution. In these cases, CB&T may be limited in negotiating commissions with broker-dealers to whom it directs trades and such accounts may therefore pay higher commissions than those that do not direct brokerage in this way. CB&T believes clients are best served when it has the full authority to determine the broker and negotiate commissions for securities transactions. With directed brokerage arrangements of this type, CB&T cannot assure clients that they will be able to obtain best execution.

Aggregation and Allocation of Portfolio Transactions

Frequently, CB&T will place orders to purchase or sell the same security for a number of clients of CB&T and its affiliates. CB&T typically aggregates such orders when they are substantially similar. As an aggregated order is executed, securities are allocated to clients in accordance with this policy. CB&T believes that placing aggregated or "block" trades is consistent with their duty to seek best execution. Further, a client's trades are aggregated with those of other clients only if it is consistent with the terms of the client's investment advisory agreement.

This policy is designed to allocate trades of the same security to clients in a fair and equitable manner over time, taking into consideration the interests of each client. Non-investment factors, such as fee arrangements, are not considered in selecting clients or allocating trades.

Equity Securities

When executing portfolio transactions in the same equity security for clients, funds or portions of funds over which CB&T, or any affiliates with which it manages assets, has investment discretion, CB&T and all such affiliates will normally aggregate purchases or sales and execute them as part of the same transaction or series of transactions.

Sometimes trade orders are not aggregated due to significant differences in terms, such as price sensitivity or urgency to complete the trade. For example, some orders may be subject to a price limit that does not permit them to trade with other orders for the same security that do not contain such a restriction. Occasionally when there is a relatively small remaining open order and a very large new order is placed,

trading may complete the small order before proceeding with the larger new order, rather than aggregating the orders. This is done only when the Advisers believe it would be fair and equitable to all client accounts. In addition, restrictions in client accounts, such as broker selection requirements, may require that a client's order be traded separately. Client accounts that are traded separately from the aggregate order may receive a less favorable execution price than the accounts that are part of the aggregate order.

The Advisers may also execute program trades separately from other aggregated trades for specific securities. Program trades typically consist of a large number of relatively small orders of different securities. Program trades generally take place when opening a new client account or rebalancing a client account due to differing cash flows, in each case when the client account is designed to be substantially similar to another account, or when liquidating an existing account. Accounts for which program trades are performed will be allocated the entirety of those trades.

When the Advisers serve as investment adviser under wrap fee programs, equity portfolio transactions are typically executed by the sponsor firm. As a result, equity transactions for wrap fee program accounts are generally not aggregated with orders for funds or other accounts for which the relevant equity investment division executes portfolio securities transactions.

Certain clients may have requested CB&T to direct a portion of their trades to a particular broker-dealer, subject to the CB&T's duty to seek best execution. If the trader believes that best execution would not be harmed by directing the client's trade to the requested broker-dealer, then the trade for that client may be removed from the block to place the trade with the requested broker-dealer.

As an aggregated order is filled, executed equity trades are generally allocated pro rata to clients based on the authorized order size for each client at the time the trade is executed. All clients receive shares at the average execution price and pay a pro rata portion of all transaction costs. Allocated amounts will be rounded to take into account CB&T's and market practices for lot sizes.

Special instructions. In certain circumstances, parts of an aggregated order may be subject to special instructions, such as a price limit, that do not apply to the entire aggregated order. This may result in an allocation other than pro rata to all accounts in the aggregated order. For example, trades executed above a price limit (in the case of purchases) or below the limit (in the case of sales), would be allocated on a pro rata basis only to orders that were not subject to the price limit.

Additional equity authorizations. If an additional order to purchase or sell a security is placed after the trader has begun to work the initial orders, the Equity Trading Platform allocates executed trades to participating accounts based on the initial orders and then begins a new allocation process based on the remaining open orders and the new orders. Under certain circumstances, traders are given discretion to include orders they received after the Trading department has started to work an initial order with the initial aggregated order for allocation purposes. This may occur for example when an analyst has issued a recommendation in the morning and not all managers have had the opportunity to hear the recommendation before the start of trading or an order for the same security is subject to additional compliance approvals. The traders have discretion to allocate on this basis when to do so will be fair and equitable to all participating client accounts.

Minimum allocation size. Often, a single aggregated order may be executed in a series of smaller transactions over a period of time. In those circumstances, some clients, particularly those that represent a small portion of an aggregated order, may incur significant trade ticket, custody and related fees due to multiple allocations. To reduce the transaction costs that clients may incur as a result of small allocations, CB&T may observe a minimum transaction size per client account. These minimums may vary by client account in an effort to treat all clients fairly and equitably.

Initial Public Offerings

Orders for IPOs are allocated according to the procedures described above. However, in determining the size of orders to be placed by participating accounts, the Advisers follow the additional procedures described below. It is important to recognize that IPOs are not appropriate investments for many of the Advisers managed accounts. If an IPO would be an appropriate investment for multiple accounts and portfolio managers or analysts for multiple funds and accounts have indicated an interest in participating, Investment Control first determines whether the aggregate interest within its equity investment division exceeds 15% of the IPO. If the aggregate interest of the funds and accounts managed by the Advisers and their affiliates for which orders are normally aggregated exceeds 15%, Investment Control splits a 15% allocation among participating funds and accounts pro rata based on approximate asset size. In rare cases, the Advisers and their affiliates may decide to put in for more than 15% of the IPO. When that occurs, the higher percentage is also allocated pro rata among participating funds and accounts generally based on asset size; however, no fund or account will be allocated more than its indicated interest. If the aggregate interest is below 15%, orders are placed in accordance with indicated interest. Allocations may be subject to the Advisers' and market practices for lot sizes. If the allocation places some client accounts below the minimum lot size, then the trading department will exclude those accounts in the allocation process and allocate the remaining shares to other clients on a pro rata basis. The investment committee periodically reviews allocations of IPOs.

Fixed-Income Securities

When executing portfolio transactions in the same fixed-income security for the funds and other clients over which CB&T has investment discretion, CB&T will normally aggregate such purchases or sales and execute them as part of the same transaction or series of transactions.

Fixed-income investment professionals select participating client accounts and place trade orders with the fixed-income trading department. Most trades are allocated on the day the trade is executed ("trade date"), but trades may be allocated on the next business day after the trade date. Executed trades are allocated considering portfolio guidelines and a variety of other factors including: (1) other securities held in the portfolios; (2) appropriateness of the security for the portfolios' objectives; (3) industry/sector, issue/issuer holdings, portfolio analytic data; (4) size of the portfolios; (5) the size of the confirmed, executed transaction; (6) invested position of the portfolio; and (7) marketability of the security. Once a fixed-income trade has been executed and participating client accounts are identified as described above, all accounts receive the same purchase price when participating in a block trade.

Forward Currency Exchange Transactions

CB&T generally executes foreign currency transactions for funds or accounts over which it has investment discretion directly through broker-dealers; however, a fund's or account's custodian may be used to execute certain foreign exchange transactions. These include transactions in markets with legal restrictions or operational risks that make executing directly in those markets impractical.

ITEM 13: REVIEW OF ACCOUNTS

Compliance teams monitor client accounts on an ongoing basis. In addition, accounts are reviewed by investment professionals, including portfolio managers, as part of a group review of similar accounts. This monitoring and review is conducted to verify that accounts are in compliance with their objectives and investment guidelines and generally includes, among other things, information related to investment results, significant account guidelines, client activity including contributions and withdrawals, and the investment structure of the portfolio. Compliance teams may also conduct regular review to verify that overall positions are appropriately aligned relative to the accounts' objectives and relative to other similar accounts.

The commingled funds are reviewed at least annually by a Committee of the CB&T Board. The review generally includes, among other things, information related to investment results, significant fund guidelines, and the investment structure of the portfolio. In addition, compliance teams of the investment advisers to CB&T also conduct regular reviews to verify that overall positions are appropriately aligned relative to the funds' objectives.

Investors in pooled investment vehicles are provided monthly and quarterly portfolio statements and such other reports as they may specifically request from time to time.

CGPCS clients receive monthly or quarterly detailed statements and such other reports as they may from time to time request.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

CB&T indirectly compensates affiliates for client relations and marketing services.

CB&T compensates affiliates for client relations and marketing services. Additionally, CB&T's affiliates may compensate CGTC for client relations and marketing services.

CB&T or its affiliates may from time to time compensate third parties for client referrals pursuant to a written solicitation agreement. The solicitor must provide CB&T with a copy of the solicitor's separate written disclosure document provided to the client. No solicitation payments may be made prior to CB&T receiving a signed copy of the solicitation agreement and client acknowledgement letter that contains the applicable referral fee disclosures and acknowledgement of the fee arrangement.

Some of CB&T's clients and prospective clients retain investment consultants to evaluate and recommend investment advisers and their services. CB&T may provide investment management services to these consultants or their affiliates. CB&T is not affiliated with an investment consultant business and has never paid to gain favor from consultants in terms of future or continuing new business opportunities. Many consultants offer valuable services to investment managers, and CB&T and its affiliates regularly subscribe to various consultant services to gain access to their index and peer data and occasionally participate in their conferences and training programs. In addition, from time to time, the CB&T and/or its affiliates may co-sponsor with other managers or consultants, industry events such as conferences. CB&T's affiliates companies also may purchase other products or services from consultants such as data feed transmission, electronic services and related software.

ITEM 15: CUSTODY

CB&T does not have physical custody of client assets but is deemed to have custody of certain client assets as defined in rule 206(4)-2 of the Investment Advisors act. Clients for which CB&T is deemed to have custody will receive account statements from JPMorgan or State Street Bank quarterly or monthly and should carefully review those statements against the account statements provided by CB&T, if applicable.

If a third party inadvertently delivers client securities or funds to CB&T, such securities or funds generally will be forwarded to the client or the client's custodian. In certain circumstances, however, they may be returned to sender.

ITEM 16: INVESTMENT DISCRETION

For commingled funds:

CB&T maintains commingled funds pursuant to their governing declarations of trust and engages other service providers, including affiliates, to assist in the administration and investment management of these funds. CB&T has retained CRMC and CGTC to each serve as investment adviser to the trustee for the commingled funds. CB&T may also act as fiduciary with respect to a particular client's assets transferred to CB&T for investment in the commingled funds, as directed by the client pursuant to an agreement. However, outside of the CGPCS business CB&T does not exercise discretion with regard to a particular client's decision to invest in one or more commingled fund.

For CGPCS clients:

CB&T is retained on a discretionary basis pursuant to an investment management agreement and is generally authorized, without client consultation or consent to determine, among other things:

- what securities are to be bought or sold;
- the amount of securities to be bought or sold;
- the prices at which securities are to be bought or sold;
- the broker or dealer to be used; and
- the commissions to be paid.

CB&T normally agrees with clients to investment guidelines for new accounts that set forth the objectives of the account and specific investment restrictions and limitations. The guidelines typically describe the investment mandate and types of securities that are eligible for (or prohibited from) the account. For investments in funds, the terms of the fund's governing documents will apply.

Investment discretion and authorization are described in the investment management agreement signed by CB&T and the client. The agreement, including the investment guidelines, is typically reviewed by administrative and legal personnel before being signed.

ITEM 17: VOTING CLIENT SECURITIES

CB&T receives investment advisory services from affiliated investment advisers who execute trades for the commingled funds and has adopted each adviser's Proxy Voting Policies as it relates to those funds. Please refer to the ADV Part 2A Brochures of our affiliated registered investment advisers, CRMC, and CGTC for more information about their practices related to voting client securities. CB&T will provide a copy of these materials to its clients upon request.

CB&T accepts proxy voting authority from its CGPCS clients and follows its Proxy Voting Policy and Procedures, which are summarized below. If CB&T has voting authority for a client account, it generally does not provide the client the option to direct a proxy vote with respect to a particular solicitation.

Some clients reserve the right to vote proxies and do not give CB&T the authority to vote on their behalf. In those cases, clients should contact their custodian about receiving proxies. CB&T would not expect to discuss particular solicitations with clients for whom it does not have proxy voting authority.

Summary of Proxy Voting Policy and Procedures - CGPCS clients

CB&T considers proxy voting an important part of those management services, and as such, CB&T seeks to vote the proxies of securities held by clients in accounts for which it has proxy voting authority in the best interest of those clients. The procedures that govern this activity are reasonably designed to ensure that proxies are voted in the best interest of CB&T's clients. Proxy issues are evaluated on their merits and considered in the context of the analyst's knowledge of a company, its current management, management's past record, and CB&T's general position on the issue.

CB&T has developed proxy voting guidelines that reflect its general position and practice on various issues. To preserve the ability of decision makers to make the best decision in each case, these guidelines are intended only to provide context and are not intended to dictate how the issue must be voted. The guidelines are reviewed and updated as necessary, but at least annually, by the appropriate proxy voting and investment committees.

Associates on the proxy voting team in CB&T's Portfolio Control department are responsible for coordinating the voting of proxies. These associates work with outside proxy voting service providers and custodian banks and are responsible for coordinating and documenting the internal review of proxies. Standard proxy items are typically voted with management unless the research analyst who follows the company or a member of an investment or proxy voting committee requests additional review. Standard items currently include the uncontested election of directors, ratifying auditors, adopting reports and accounts, setting dividends and allocating profits for the prior year, and certain other administrative items. All other items are voted in accordance with the decision of the analyst, portfolio managers, investment specialists, the appropriate proxy voting committee or the full investment committee(s) depending on parameters determined by those investment committee(s) from time to time. Various proxy voting committees specialize in regional mandates and review the proxies of portfolio companies within their mandates.

From time to time CB&T may vote a) on proxies of portfolio companies that are also clients of CB&T or its affiliates, b) on shareholder proposals submitted by clients, or c) on proxies for which clients have publicly supported or actively solicited CB&T or its affiliates to support a particular position. When voting these proxies, CB&T analyzes the issues on their merits and does not consider any client relationship in a way that interferes with its responsibility to vote proxies in the best interest of its clients. The CB&T Special Review Committee reviews certain of these proxy decisions for improper influences on the decision-making process and takes appropriate action, if necessary.

If a research analyst has a personal conflict in making a voting recommendation on a proxy issue, he or she must disclose such conflict, along with his or her recommendation. If a member of the proxy voting committee has a personal conflict in voting the proxy, he or she must disclose such conflict to the appropriate proxy voting committee and must not vote on the issue.

This summary of CB&T's Proxy Voting Policy and Procedures is qualified by the full policy, which is available on request.

Also upon request, CB&T will provide to clients for whom it has proxy voting authority, reports of its proxy voting record related to the securities held in that client's account.

ITEM 18: FINANCIAL INFORMATION

CB&T does not require or solicit pre-payment of investment advisory fees in advance.

CB&T is not aware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments.

ITEM 19: REQUIREMENTS FOR STATE-REGISTERED ADVISERS
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CB&T is not registered with any state securities authority.