



**ROCKEFELLER & CO.**

## PART 2A OF FORM ADV: BROCHURE

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As of March 31, 2017

**This brochure provides information about the qualifications and business practices of Rockefeller & Co., Inc. ('Rockefeller & Co.'), which is an investment adviser registered with the United States Securities and Exchange Commission (the "SEC"). If you have any questions about the contents of this brochure, please contact Timothy J. McCarthy, Chief Compliance Officer at 212-549-5471 or [tmccarthy@rockco.com](mailto:tmccarthy@rockco.com), or Randi I. Lederman, Compliance Officer, at 212.549.5473 or [rlederman@rockco.com](mailto:rlederman@rockco.com). The information in this brochure has not been approved or verified by the SEC or by any state securities authority. Registration with the SEC does not imply a certain level of skill or training.**

**Additional information about Rockefeller & Co. is available at the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **Item 2: Material Changes**

Rockefeller & Co., Inc.'s ("Rockefeller & Co.") last annual update of this brochure was filed with the SEC as of March 30, 2016 (the "2016 Annual Update"). The discussion below includes only material changes made since the 2016 Annual Update. Please review these changes carefully.

- Information about outside business affiliations involving financial services companies reported by directors, officers and employees of Rockefeller & Co. as of December 31, 2016, has been added to Item 10. Neither Rockefeller & Co. nor its directors, officers or employees receives undisclosed monetary compensation from these service providers in connection with the use of such service providers by clients of Rockefeller & Co.
- Information about Rockefeller & Co.'s policies regarding the acceptance of gifts and entertainment from third parties has been added to Items 5, 10 and 12.

### **Item 3: Table of Contents**

<b><u>Item</u></b>	<b><u>Title</u></b>	<b><u>Page</u></b>
1	Cover Page	1
2	Material Changes	2
3	Table of Contents	3
4	Advisory Business	4
5	Fees and Compensation	6
6	Performance-Based Fees and Side-By-Side Management	11
7	Types of Clients	12
8	Methods of Analysis, Investment Strategies and Risk of Loss	13
9	Disciplinary Information	19
10	Other Financial Industry Activities and Affiliations	20
11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	22
12	Brokerage Practices	27
13	Review of Accounts	34
14	Client Referrals and Other Compensation	36
15	Custody	37
16	Investment Discretion	39
17	Voting Client Securities	40
18	Financial Information	43

## **Item 4: Advisory Business**

### **Firm Overview**

Rockefeller & Co. is an investment management and wealth advisory firm providing services to high net-worth individuals, families, trusts, family offices, mutual funds, foundations, endowments and other institutions and accounts. Rockefeller & Co., which is headquartered in New York City, provides these services on a discretionary, non-discretionary or consulting basis for domestic and non-U.S. accounts. Rockefeller & Co. and its subsidiaries have additional offices in Boston, Massachusetts, Washington, D.C. and Wilmington, Delaware.

Rockefeller & Co.'s history dates back to 1882 when John D. Rockefeller established a New York office to manage the Rockefeller family's investment, personal, and philanthropic interests. Rockefeller & Co. was incorporated in 1979 and in 1980 registered with the U.S. Securities and Exchange Commission ("SEC") as an investment adviser under the Investment Advisers Act of 1940, as amended (the "Advisers Act").

Rockefeller & Co. has two main wholly-owned operating subsidiaries: (1) Rockefeller Trust Company, N.A. ("RTC") and (2) The Rockefeller Trust Company (Delaware) ("RTC Delaware"), each of which provides personal trust and estate services acting as trustee or co-trustee, executor or co-executor, or as a fiduciary or agent for other fiduciary relationships.

### **Firm Ownership**

Rockefeller & Co. is a wholly-owned subsidiary of Rockefeller Financial Services, Inc. (the "Parent Company"). The Parent Company is controlled by an independent trust established for the benefit of members of the Rockefeller family. Non-voting shares of the Parent Company are held by Rockefeller family members and related accounts, by directors of RTC, by senior professionals of Rockefeller & Co. through the latter's participation in a stock incentive plan (the "Rockefeller Stock Incentive Plan"), and by RIT Capital Partners plc, a London-listed investment trust chaired by Lord (Jacob) Rothschild. RIT has the right to appoint two representatives to the Boards of the Parent Company and Rockefeller & Co.

The Rockefeller Stock Incentive Plan is long-term in nature and designed to attract and retain senior professionals and to promote the growth of long-term shareholder value through a close alignment of interests with the objectives of the firm and clients.

Please refer to Schedule A of Rockefeller & Co.'s Form ADV Part 1A for additional information about the ownership of the firm.

## Rockefeller & Co. Service Offerings

Rockefeller & Co. is organized around two primary areas of expertise:

- Rockefeller Wealth Advisors: Objective investment advice and consulting coupled with an open-architecture wealth management platform, along with trust, fiduciary and wealth planning services. Tailored advice and portfolios of equities, fixed-income securities, hedge funds, private equity funds, and other alternative investments.
- Rockefeller Asset Management: Internally-managed global, U.S., non-U.S., sector specific and sustainability and impact investment equity strategies, as well as balanced (*i.e.*, multi-asset class) strategies.

Rockefeller & Co. offers a variety of investment advisory services, including investment management, consulting and supervisory services. Investment advisory services can either be provided on a discretionary or non-discretionary basis, and the scope of services can vary depending on the needs of the client. Rockefeller & Co. also acts in a sub-investment adviser or consulting capacity from time to time.

In addition to the above services, Rockefeller & Co. also provides general financial advice and other services not specifically related to securities. Such advice can include trust, estate and fiduciary services and advice, information management and reporting services, general accounting, tax planning and tax compliance services, preparation and filing of tax returns, personal budget preparation, long-range income and expense projections, advice on private business ventures and other family office services.

Rockefeller & Co. is not registered as a commodity trading adviser or a commodity pool operator with the U.S. Commodity Futures Trading Commission and relies on available exemptions from registration when providing advice with respect to investments involving futures and options on futures.

## Assets Under Advisement

As of December 31, 2016, Rockefeller & Co. and its subsidiaries had responsibility in varying degrees for approximately \$15.4 billion in client assets, which is comprised of the following:

- Regulatory Assets under Management: \$10.3 billion
  - Discretionary Assets: \$10.2 billion
  - Non-Discretionary Assets: \$0.2 billion
- Advised Assets: \$5.1 billion

Advised assets represent non-managed assets that receive services, such as financial planning, administration and/or consulting for open architecture programs or other assignments, consolidated reporting, and accounting and tax return preparation services.

## **Item 5: Fees and Compensation**

Rockefeller & Co.'s investment advisory fees are generally based on a percentage of the client's assets under management.

### **Wealth Management Fees**

Rockefeller & Co.'s current standard wealth management fee schedule for managed assets (including cash held for investment and receivable balances) is based on the following annual rates:

1.00% on the first \$25 million of assets  
0.75% on the next \$25 million of assets  
0.50% on assets over \$50 million

To the extent a client invests in any mutual funds advised by Rockefeller & Co. ("Affiliated Mutual Funds") or privately pooled investment vehicles sponsored by Rockefeller & Co. ("Affiliated Private Funds" and, together with Affiliated Mutual Funds, "Affiliated Funds"), the client will normally bear the investment advisory fees charged by the Affiliated Funds instead of the fees determined under the fee schedule specified above. Rockefeller & Co.'s investment advisory fees for Affiliated Funds vary depending on the nature of their investment strategy and normally range between 0.35% and 1.25% annually, based on the market value of the assets invested in the particular Affiliated Fund or capital commitments in the context of Affiliated Funds that invest in private equity, venture capital or other illiquid investments.

For certain types of services (e.g., a broader package of wealth management services, investment consulting, tax planning and preparation, etc.), Rockefeller & Co. may establish an annual fixed fee or hourly rate fee arrangement. These fees would depend on the nature and scope of Rockefeller & Co.'s responsibilities and may be lower than would be charged if similar services were acquired separately.

### **Affiliated Funds**

Clients invested in Affiliated Funds bear their proportionate share of the applicable Rockefeller & Co. investment advisory fees charged to such Affiliated Funds. Affiliated Funds that hold private equity, venture capital or other illiquid investments are typically charged fees based upon the capital commitments made by investors rather than the market value of the Affiliated Fund. Investors in Affiliated Funds also indirectly bear their pro rata share of the fees and expenses of the Affiliated Funds, which include but are not limited to the fees charged by third party managers to the extent utilized, as well as custody fees, brokerage fees, audit fees, legal fees, other operational expenses and, in some cases, organizational expenses. Rockefeller & Co. provides certain administrative, accounting and tax services to the Affiliated Private Funds, and receives a fee from such Affiliated Private Funds as described below under "Information Management Services." Detailed information about each Affiliated Fund's fees and expenses is available in the fund's prospectus or

offering documents. Rockefeller & Co. may, in its sole discretion, waive all or any portion of its investment advisory fees and/or administration fees due with respect to any investor's investment in an Affiliated Fund, by rebate or otherwise, for any reason, without notice to or the consent of any other investor in the Affiliated Fund.

In certain cases, Rockefeller & Co. and a client may agree to credit fees paid by the client to an Affiliated Fund against an overall advisory fee determined pursuant to the agreed upon fee schedule.

#### Institutional Asset Management Fees

For clients that engage Rockefeller & Co. solely for asset management services with respect to particular investment strategies (i.e., global equity, U.S. small cap, taxable fixed income, etc.), the investment advisory fee rates vary depending on the asset class, size and nature of the account, and normally range between 0.35% and 1.25% annually based on the market value of the assets invested in the particular strategy.

#### Investment Consulting and Supervisory Services

In cases where Rockefeller & Co. is advising clients on assets managed by third-party investment advisors as part of an "open architecture" program, Rockefeller & Co.'s fees are generally determined based on the following factors:

- Mix of assets;
- Number of outside managers; and
- Nature and scope of Rockefeller & Co.'s responsibilities

#### General Financial Advice

Rockefeller & Co. also provides clients with financial advice and other services not specifically related to securities. This advice may include:

- Accounting, tax planning and tax compliance;
- Preparation and filing of tax returns;
- Personal budget preparation;
- Long-range income and expense projections;
- Advice on private business ventures; and
- Other family office services

These fee arrangements are generally based upon an agreed upon fixed annual fee and/or time and hourly charges depending on the particular scope of services.

#### Information Management Services

Rockefeller & Co. provides information management and reporting services to its advisory and to non-advisory clients who engage the firm for professional services, including

partnership administration, accounting and tax return preparation services. Rockefeller & Co. has engaged its former affiliate, Rokit Solutions, LLC, to assist in providing these services. Fee rates for these services depend on the mix of assets and nature and scope of responsibilities.

Rockefeller & Co. provides certain partnership administration, accounting and tax return preparation services to Affiliated Private Funds:

- For Affiliated Private Funds investing primarily in publicly traded equity, the annual administration fee is typically determined as a percentage (currently 0.14%) of the value of the Affiliated Private Fund's net assets (payable monthly in advance); and
- For Affiliated Private Funds investing primarily in hedge funds, private equity funds, venture capital or other illiquid investments, the annual administration fee is typically included in the management fees Rockefeller & Co. receives from the Affiliated Private Fund.

Rockefeller & Co. has engaged its former affiliate, Rokit Solutions, LLC, to assist in providing these services, and pays Rokit Solutions, LLC out of the fees it receives from the Affiliated Funds for such services.

#### Trust and Fiduciary Services

RTC and RTC Delaware provide fiduciary services acting either as a trustee, co-trustee, executor, co-executor, or as a fiduciary or agent for other fiduciary relationships. As part of these services, RTC and RTC Delaware typically delegate to Rockefeller & Co., on a discretionary basis, their power and authority to provide investment management services including investment advice to, and effecting investment transactions on behalf of, the fiduciary accounts, when investment management of the fiduciary account is required as part of the fiduciary relationship.

For its services as a trustee, executor or other fiduciary, or as an agent, RTC or RTC Delaware, as the case may be, receives the fees set forth in its respective fee schedule in effect from time to time, unless a separate fee is otherwise negotiated with the client.

Where RTC or RTC Delaware have delegated investment management responsibilities to Rockefeller & Co., they generally pay a fee to Rockefeller & Co. that is based upon the market value of the assets held in the fiduciary account so managed.

#### Historic Fee Schedules; Negotiability

Rockefeller & Co. has employed different fee schedules with clients historically and, in most cases, these historical fee schedules remain in effect with respect to such clients.

Rockefeller & Co.'s fees are negotiated in certain circumstances depending upon the client's particular needs and requirements. Factors that would generally be considered in determining the fee include:



- Total size of assets to be managed;
- Size and number of concentrated holdings in a single stock;
- Complexity of potential planning, taxation and investment issues;
- Number of separate or related accounts;
- Frequency and scope of financial planning and reporting; and
- Other business considerations

Assets of accounts that have a family or business relationship to each other may be aggregated in some circumstances for purposes of determining the overall fee for the relationship. In such cases, the aggregated accounts typically receive the benefit of a lower effective fee due to the combined level of assets.

Rockefeller & Co. may agree to, but does not typically enter into most favored nations fee agreements with respect to certain clients that engage Rockefeller & Co. for asset management services. In this type of arrangement, the advisory fee that would be charged to the client will be no less favorable than the fees charged to another similar client for substantially the same services and investment style. Factors considered when entering into these types of fee arrangements include size of the investment mandate, potential for additional assets under management, type of client, client servicing requirements and other considerations deemed relevant by Rockefeller & Co.

#### Payment of Fees

Generally, investment advisory fees for Rockefeller & Co. investment management accounts are paid quarterly in advance and are based on the market value of the assets under management in the account as of the close of business on the first business day of each calendar quarter. Fiduciary accounts administered by RTC or RTC Delaware generally pay fees monthly in arrears based on the market value of the principal assets under management determined as of the close of business on the first business day of the given month. In certain circumstances, arrangements are in place for fees to be calculated and/or paid on different terms.

An initial asset contribution or significant addition or withdrawal involving the account after the first business day of any quarter or month is subject to a partial fee based on the value of the assets and a proration for the number of days applicable to the change. Fees are prorated to the date of termination and any unearned portion of prepaid fees is refunded to the client.

The advisory fee is generally charged directly to the client's custody account, and an invoice is sent to the client simultaneously with the transmittal of the payment instructions to the custodian. Some clients prefer to make direct payment after being issued an invoice.

Affiliated Funds generally pay investment advisory fees to Rockefeller & Co. either quarterly or monthly in advance based on the net asset value of the Affiliated Fund as of the close of business on the first business day of each calendar quarter or month or in such other manner as specified in the Affiliated Fund's offering and organizational documents.

For the other services described above, Rockefeller & Co. generally issues an invoice to the client for purposes of payment. Depending on the scope of services, such invoices may be issued monthly, quarterly or at such other times as agreed with the client, and payments may be due before the start of such services, following the completion of such services or in periodic installments.

#### Other Fees and Expenses

Other fees and expenses that clients are responsible for in addition to Rockefeller & Co.'s fees include:

- Third-party manager and fund fees and expenses (including incentive fees, if applicable);
- Brokerage and trading costs and expenses and commissions;
- Third-party custody fees (unless the client directly engages RTC or RTC Delaware for fiduciary or agency services, in which case the third party custody fees are typically paid directly by RTC or RTC Delaware);
- Fees and expenses of private funds, mutual funds and exchange-traded funds; and
- Fees and expenses of money market funds that hold cash balances

Neither Rockefeller & Co. nor any of its supervised persons receives placement fees or commissions from third-parties for the sale of securities or other investment products, including asset-based charges or service fees from the sale of mutual funds. Rockefeller & Co. and its supervised persons may, however, receive gifts and/or entertainment from third parties, including third-party investment managers doing business or seeking to do business with Rockefeller & Co., subject to the requirements of Rockefeller & Co.'s Policy on Business Conduct.

## **Item 6: Performance-Based Fees and Side-By-Side Management**

### **Performance Based-Fees**

Rockefeller & Co. has entered into an arrangement with an institutional asset management client that provides for the payment of a performance fee if the account's returns exceed certain benchmarks over a multiple year period. Rockefeller & Co. is also eligible to receive performance-based fees (or a carried interest) in the case of certain Affiliated Private Funds that invest in hedge funds. These fees are based on the performance of an investor's investment in the Affiliated Private Fund as described in the Affiliated Private Fund's governing documents. From time to time, Rockefeller & Co. may enter into similar arrangements with additional Affiliated Private Funds or with particular clients.

In the case of a performance-based fee (or a carried interest), Rockefeller & Co. may have an incentive to make investments that are riskier or more speculative than would be the case in the absence of the performance-based fee (or the carried interest).

### **Side-By-Side Management**

In limited cases involving certain asset classes (e.g., global equities and hedge funds), Rockefeller & Co. manages accounts that pay both performance-based fees and asset-based fees and accounts that pay only asset-based fees. Further, Rockefeller & Co. also manages assets for its own account and for its directors, officers, employees and other affiliated persons or entities (collectively, "Affiliated Accounts") from time to time. In these cases, Rockefeller & Co. and its supervised persons may have an incentive to favor the performance-fee eligible account or the Affiliated Accounts over the others when, for example, placing trades, aggregating orders, or allocating limited investment opportunities. To address these potential conflicts, Rockefeller & Co. has policies and procedures in place requiring that investment decisions be made:

- In accordance with the fiduciary duties owed to advisory accounts; and
- Without consideration of Rockefeller & Co.'s or the supervised persons' pecuniary, investment or other financial interests

Please refer to Item 11 for additional information on Rockefeller & Co.'s Code of Ethics and Item 12 for additional information on the firm's trade allocation policies and procedures.

### **Item 7: Types of Clients**

Rockefeller & Co. offers investment advisory services to various types of clients, including:

- High-net worth individuals, their families, family offices and related entities;
- Funds organized as domestic or offshore (non-U.S.) companies, limited partnerships, limited liability companies or other types of legal entities;
- U.S. registered investment companies;
- Trusts and other fiduciary accounts (e.g., estates, uniform gift to minor accounts, plans);
- Foundations, endowments, charitable and other nonprofit institutions;
- Taxable and tax-exempt accounts, including Individual Retirement Accounts;
- State pension plans;
- Sovereign nations and sovereign wealth funds;
- “Permitted Clients” in Canada; and
- Professional Investors in the Netherlands.

Rockefeller & Co.’s usual target dollar value of assets for starting a client relationship is \$30 million.

Separately managed account minimums may vary depending on the investment strategy and the scope of services provided. A \$1 million minimum is normally acceptable for an investment in an Affiliated Private Fund, although lesser investment amounts may be accepted depending on the scope of the client relationship and other considerations.

The minimum account sizes generally do not apply to new accounts that are related to existing accounts. Rockefeller & Co. reserves the right to waive or reduce the minimum account size in its sole discretion.

## **Item 8: Methods of Analysis, Investment Strategies and Risk of Loss**

Rockefeller & Co.'s investment philosophy for wealth advisory clients is focused on seeking to enhance our clients' financial well-being and building on the value that they have already created. We employ a comprehensive process that seeks to grow and preserve capital. Our process generally begins by helping clients define their goals, objectives and risk tolerances. Once these investment parameters are agreed upon, Rockefeller & Co. would construct an investment portfolio using internal and, where appropriate, external strategies as agreed upon with the client.

Rockefeller & Co. provides investment management services to clients in three formats: (i) entirely within a separately managed account and/or Affiliated Funds managed by Rockefeller & Co. across various strategies; (ii) using a combination of a Rockefeller & Co. separately managed accounts and Affiliated Funds with select third-party managers and funds; or (iii) entirely with third-party managers and funds in a "manager of managers" program. The recommended approach depends on consideration of the size and scope of the mandate, client preferences and requirements, fee considerations and other factors, and will be agreed upon with the client prior to implementation. Rockefeller & Co. will typically recommend the inclusion of its internal asset management strategies to clients for all or a portion of their asset allocation plan, even though there may be third party solutions available to meet the client's investment objectives. The inclusion of Rockefeller & Co. internal asset management strategies in client portfolios may increase the overall fees payable by clients to Rockefeller & Co. and result in other benefits to Rockefeller & Co., such as increasing the firm's assets under management. Client assets invested in Rockefeller & Co.'s internal asset management strategies are charged an investment management fee, but are not subject to a separate wealth advisory fee by Rockefeller & Co. Client assets invested with third party managers bear the fees charged by the third party managers, as well advisory fees payable to Rockefeller & Co.

A client may generally impose restrictions or limitations on investing in certain securities or certain types of securities (e.g., legacy or low-cost-basis holdings, sustainability and impact or mission-based investing, certain specialized sectors of the market or geographic regions). With the exception of clients focused on a single investment mandate, Rockefeller & Co. would generally structure each client's particular asset allocation plan and investment portfolio on a tailored basis.

### **Asset Allocation Approach**

Rockefeller & Co.'s general approach to asset allocation stems from a belief that diversification of risks, including asset class, style, sector and industry risks, is important in seeking to achieve strong risk-adjusted returns. In an effort to strike the appropriate balance between diversifying risk and earning returns, our strategic asset allocation process begins with long-term forward-looking assumptions about the risks, returns, correlations and additional statistical measures of risk for various asset classes.

We apply these capital market assumptions using commercial and proprietary quantitative tools to develop a selection of asset allocations that seek to optimize expected returns and multiple expected risk factors for the client's portfolio. Using our proprietary model, we project ranges of potential portfolio returns in an effort to illustrate risk/reward tradeoffs for different asset allocations. This analysis is based on probabilistic projections; as a result, better or worse outcomes are possible. Our projections are based on hypothetical modeling outcomes and do not reflect actual investment results and are not guarantees of future results. There are limitations inherent in the use of quantitative models that can be reviewed with clients upon their request. A client's actual investment results may vary substantially from the projections produced from the models, and a client could lose all or a portion of their investment capital.

Rockefeller & Co.'s investment philosophy focuses on active portfolio management through the use of internal and, where appropriate, external strategies. In certain client situations, Rockefeller & Co. may recommend multi-asset class investment funds in an effort to meet a client's investment objectives. We believe that customized asset allocation, active risk management and the creation of portfolios that are tailored to the client's needs have the potential to add significant value over time, over and above the returns that can be achieved through passive management. Generally, we would consider a passive strategy in limited situations. For example, a passive strategy may be used in conjunction with an active portfolio strategy in order to add diversification to a client's portfolio within a specific asset class. We may also consider a passive strategy for a small portion of a client's portfolio (with the use of an exchange-traded fund for example) if the trading costs in a specific country, or in a basket of securities, are higher than warranted in order to access the investment.

#### Internally Managed Equity Strategies

Rockefeller Asset Management ("RAM"), a division of Rockefeller & Co. and the "Firm" for purposes of the Global Investment Performance Standards ("GIPS®"), offers internally-managed global, U.S., non-U.S., sector specific and sustainability and impact investment equity strategies; as well as, balanced (*e.g.*, multi-asset class) strategies.

RAM believes that good long-term equity investments result from understanding a company's long-term business model, its execution of its strategy over time, and placing an objective valuation on future cash flows. Because RAM manages core equities, it tends to prefer well-managed companies, with reasonable valuations, diversified across industries.

Internally managed equity portfolios typically hold between 30 and 80 stocks, depending on the strategy. Stocks are selected based on their growth potential and their valuations relative to their peers. A number of factors are assessed in the analysis of a company and its share price:

- Its products or services;
- The potential market size;
- Its competitive substitutes;
- Balance sheet quality; and

- Valuation of cash flows and earnings

Ideas that are purchased in the portfolio are typically larger than benchmark weighting in order to have a relative performance impact. Position sizes can be limited by an individual stock's liquidity and volatility as we seek to manage the overall risk profile of the portfolio.

Unless requested by the client and agreed to by Rockefeller & Co., there generally are no limits to the variation of industries and sectors from the benchmark. Our investment team focuses on sector weights as well as factors such as growth, and value, but generally we do not believe a portfolio can be normally improved by timing or neutralizing these factors. In short, we do not want to overwhelm the contribution made by stock selection with an over-emphasis on portfolio construction within specific internally managed strategies. Within our internally managed strategies, our turnover tends to be moderate and we are sensitive to liquidity and transaction costs.

RAM's equity strategies, which are available through both Affiliated Funds and separately managed accounts and in a sub-advisory capacity (depending on size), include but are not limited to:

- Global Equities;
- U.S. Equities;
- Non-U.S. Equities;
- Global Sustainability & Impact Equities;
- U.S. Sustainability & Impact Equities;
- Non-U.S Sustainability & Impact Equities;
- U.S. Small Cap Equities;
- U.S. Small Cap Sustainability & Impact Equities
- Fossil Fuel Free Equities
- Balanced (Multi-Asset Class) Strategies; and
- Global Equity Sector Specific Strategies

#### Internally Managed Fixed Income Strategies

Rockefeller & Co.'s taxable and tax-exempt fixed income strategies generally employ a conservative approach to U.S. fixed income markets and emphasize capital preservation and current income. Portfolios are constructed utilizing both a top-down focus on macro trends and sector forecasts and a bottom-up focus on credit, relative valuation and volatility. Fixed income strategies are offered through Affiliated Mutual Funds and separately managed accounts. When appropriate, separately managed accounts can be tailored to a client's specific liquidity, tax, risk and transparency requirements.

#### Alternative Investment Strategies (e.g., Hedge Funds and Private Equity/Venture Capital Funds)

Rockefeller & Co. provides tailored advice on hedge funds, private equity/venture capital funds and other alternative asset classes for clients who have sufficient capital to support a

diversified alternatives program. Rockefeller & Co. also offers diversified and/or opportunistic alternatives investments for clients through funds of funds and dedicated access structures, and provides advice on third party funds of funds.

### Third Party Investment Managers

Rockefeller & Co. follows a formal process for selecting third-party managers. Our evaluation of new managers is a multi-stage process, which includes quantitative and qualitative factors. Rockefeller & Co. learns about managers from multiple sources including databases, conferences, industry contacts and clients. We then screen managers by evaluating investment performance, risk, style-drift and other quantifiable factors. Our qualitative analysis of managers generally includes a review of due-diligence questionnaires, ADV forms, marketing materials, newsletters and research, as well as interviews with key personnel and on-site visits of managers' operations, with exceptions for large mutual fund complexes in which case we have contact with them through their organized seminars, conferences, "webinars" and phone calls. When we select a manager for client portfolios, we monitor the manager's performance quarterly in most cases and more frequently if warranted. We generally contact managers at least quarterly to review their results, outlook, strategy, risks and important developments at their firms. Generally, we seek to meet face-to-face with current managers, except for large mutual fund complexes and private equity and venture capital funds, in which case we have contact with them through their organized seminars, conferences, quarterly "webinars" and phone calls, typically at least once per year on site in their places of business. The process for selecting hedge fund and private equity managers is similar, but takes into consideration factors specific to those asset classes and includes review of information about their service providers such as auditors, custodians, administrators and the like.

### Investment Risk Factors

Investing in securities and other assets involves a potential risk of loss due to various market, economic, political, regulatory, business, currency and other risks. Rockefeller & Co. does not guarantee the future performance of any client account, investment decision or strategy. Future results may vary substantially from past performance and no investment strategy can guarantee profit or protection from loss. Returns on investments can be volatile and an investor may lose all or a portion of their investment.

Equity and equity-related investments are volatile and will increase or decrease in value based upon issuer, economic, market and other factors. Small capitalization stocks generally involve higher risks in some respects than do investments in stocks of larger companies and may be more volatile. The securities of non-U.S. issuers also involve a high degree of risk because of, among other factors, the lack of public information with respect to such issuers, less governmental regulation of stock exchanges and issuers of securities traded on such exchanges and the absence of uniform accounting, auditing and financial reporting standards. The non-U.S. domicile of such issuers and currency fluctuations may also be factors in the assessment of financial risk to the investor. Foreign securities markets are often less liquid than U.S. securities markets, which may make the disposition of non-U.S. securities more



difficult. Emerging markets can be subject to greater social, economic, regulatory, and political uncertainties and can be extremely volatile.

With respect to internally managed client portfolios, Rockefeller & Co. believes that the currency component of non-U.S. stock returns is an important part of the diversifying benefit of international investing and non-U.S. currencies can act as a diversifying tool within a portfolio to the extent that one currency's depreciation is offset by another's appreciation. As a result, Rockefeller & Co. generally does not seek to hedge currency exposure in client accounts, but reserves the right to do so under appropriate circumstances and if deemed beneficial to a client's portfolio.

Sustainability and impact strategies that focus on environmental, social and governance objectives may avoid or sell stocks that otherwise meet the financial criteria or return objectives for the strategy. There can be no guarantee that stocks that meet the strategy's sustainability and impact criteria will have performance comparable to stocks that do not meet such criteria. Screened-out stocks generally will be held in other investment vehicles and accounts managed by Rockefeller & Co. that do not apply sustainability and impact criteria. In addition, sustainability and impact strategies may vote proxies in accordance with their environmental, social and governance criteria, which may not always be consistent with maximizing the short-term performance of the company. There is no guarantee that engagement efforts with companies will be successful or that desired objectives will be achieved. Investment strategies that specifically exclude companies with meaningful exposure to fossil fuels will typically be underweight in the energy sector under normal market conditions. As a result, their investment returns may underperform the market in periods where the energy sector outperforms other sectors.

Investments in fixed income securities are subject to interest rate, credit, liquidity, prepayment, and extension risks, any of which may adversely impact the price of the security and result in a loss. Interest rates may go up resulting in a decrease in the value of fixed income securities. Duration is the time that it takes for an investor to be repaid the price for a bond by the bond's total cash flows. The longer the repayment period, or duration, the greater the chance that the bond will be exposed to interest rate risk. Generally, securities with longer maturities carry greater interest rate risk. The historically low interest rate environment increases the risk associated with rising interest rates. Credit risk is the risk that an issuer may not make timely payments of principal and interest. There is a risk that an issuer may "call", or repay, its high yielding bonds before their maturity dates. Fixed income securities subject to prepayment can offer less potential for gains during a declining interest rate environment and similar or greater potential for loss in a rising interest rate environment. Limited trading opportunities for certain fixed income securities may make it more difficult to sell or buy a security at a favorable price or time. The municipal market is volatile and can be significantly affected by adverse tax, legislative or political changes and the financial condition of the issuers of municipal securities.

Alternative investments, such as hedge funds and private equity/venture capital funds, are speculative and involve a high degree of risk. There is no secondary market for alternative investments and there may be significant restrictions or limitations on withdrawing from or transferring these types of investments. Private equity/venture capital funds generally require

an investor to make and fund a commitment over several years. Alternative investments generally have high fees (including both management and performance based fees) and expenses that offset returns. Alternative investments are generally subject to less regulation than publicly traded investments. Rockefeller & Co. will not be able to independently value investments held by alternative investment fund managers. As a result, Rockefeller & Co. will generally rely on the values reported to it by alternative investment fund managers.

The use of third party managers in investment programs involves additional risks. The success of the third party manager depends on the capabilities of its investment management personnel and infrastructure, all of which may be adversely impacted by the departure of key employees and other events. The future results of the third party manager may differ significantly from the third party manager's past performance. While Rockefeller & Co. intends to employ reasonable diligence in evaluating and monitoring third party managers, no amount of diligence can eliminate the possibility that a third party manager may provide misleading, incomplete or false information or representations, or engage in improper or fraudulent conduct, including unauthorized changes in investment strategy, insider trading, misappropriation of assets and unsupportable valuations of portfolio securities.

Rockefeller & Co.'s internally managed investment strategies (and some third party manager strategies) generally will hold a relatively concentrated portfolio of securities in comparison to their respective benchmarks and broader market indices. In addition, these strategies may from time to time be overweight, underweight or have no exposure to specific sectors, industries and/or geographies, and can take concentrated positions which could lead to increased volatility. Certain of these strategies may focus on particular sectors, industries and geographies. As a result, an adverse development impacting any one position, sector, industry or geography may have a material adverse effect on investment returns as well as performance relative to the strategy's benchmark.

There is a risk that Rockefeller & Co.'s asset allocation methodology and assumptions regarding asset classes and investment strategies may be incorrect in light of actual market conditions and may result in investment losses. Diversification across asset classes, investment styles, sectors and industries does not eliminate the risk of experiencing investment losses. There is also a risk that too much diversification can lead to the indexing of investment returns.

The investment risks described above represent some but not all of the risks associated with various types of investments and investment strategies. Clients should carefully evaluate all applicable risks with any investment or investment strategy, and realize that investing in securities involves risk of loss that clients should be prepared to bear. Clients should also refer to the prospectus or private placement memorandum for an Affiliated Fund for additional information relating to investment risks.

### **Item 9: Disciplinary Information**

Within the last ten years, there have not been any material legal or disciplinary events involving the advisory business of Rockefeller & Co. or its management persons.

## **Item 10: Other Financial Industry Activities and Affiliations**

Neither Rockefeller & Co. nor any of its management persons are registered or have an application pending to register as a broker-dealer, futures commission merchant, commodity pool operator, commodity trading adviser, or as a registered representative or an associated person of any of the foregoing entities.

Directors, officers and employees of Rockefeller & Co. and its subsidiaries may serve as non-executive directors of for-profit businesses, including financial services companies that provide services to Rockefeller & Co. and/or to clients of Rockefeller & Co. Reuben Jeffery III, the President and Chief Executive Officer of Rockefeller & Co., serves as a non-executive director of Barclays PLC, a global financial services provider, and as a member of the Senior Advisory Board to Tower Brook Capital Partners, L.P., a private equity firm. Rockefeller & Co. executes client securities transactions through Barclays Capital, Inc. ("Barclays Capital"), the U.S. broker-dealer subsidiary of Barclays PLC. Use of Barclays Capital is subject to Rockefeller & Co.'s Best Execution Policy, which is described in Item 12 below. In addition, Merit E. Janow and Candace K. Beinecke, who are each non-executive directors of Rockefeller & Co., also serve as a director/ trustee of the American Funds and First Eagle Funds, respectively. Elizabeth P. Munson, Managing Director and President of RTC and a Senior Client Advisor of Rockefeller & Co., is a director of CPA® 17 and CPA® 18, which are real estate investment trusts advised by WP Carey & Co. LLC. Rockefeller & Co. has adopted procedures and practices in seeking to mitigate conflicts of interests that may result from such outside business affiliations.

Rockefeller & Co. has two wholly-owned trust company subsidiaries, RTC and RTC Delaware that provide personal trust and estate services acting as trustee or co-trustee, executor or co-executor, or as a fiduciary or agent for other fiduciary relationships. As part of these services, RTC and RTC Delaware typically delegate, on a discretionary basis, their power and authority to provide investment management services including investment advice to, and investment transactions on behalf of, the fiduciary accounts to Rockefeller & Co., when investment management of the fiduciary account is required as part of the fiduciary relationship. As discussed in Item 15, Rockefeller & Co. has engaged its affiliate, RTC, to serve as qualified custodian for the limited purpose of receiving and depositing into client accounts at third party qualified custodians, checks made payable to clients in connection with family office services and class action processing services offered to clients.

RIT has the right to appoint two representatives to Rockefeller & Co.'s and the Parent Company's Board of Directors. Rockefeller & Co.'s President and Chief Executive Officer serves on the International Advisory Committee of J. Rothschild Capital Management Ltd.

Consistent with its fiduciary duty to clients, Rockefeller & Co. may also recommend to its clients investment funds, products and services offered by or through RIT and its affiliates, when it determines that such investments, funds, products and services are consistent with a client's objectives. Rockefeller & Co. will disclose its relationship with RIT, at the time it makes any such recommendation.

Rockefeller & Co. does not accept placement fees, commissions, asset-based charges or service fees (such as 12b-1 fees) from investment managers, including RIT and firms associated with directors, officers and employees as noted above, in connection with any recommendations to clients for the use of such firms. Rockefeller & Co. and its supervised persons may, however, receive gifts and/or entertainment from third parties, including RIT and its affiliates and related parties, subject to the requirements of Rockefeller & Co.'s Policy on Business Conduct.

## **Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

### **Code of Ethics**

Rockefeller & Co.'s Code of Ethics (the "Code") is intended to fulfill the firm's obligations under Rule 204A-1 of the Advisers Act and Rule 17j-1 under the Investment Company Act of 1940, as amended, ("Investment Company Act") with respect to Affiliated Mutual Funds, to set forth standards of conduct and to require compliance with the federal securities laws. As a registered investment adviser, Rockefeller & Co. owes a duty of loyalty to each of its clients, which requires that the firm serve the best interests of its clients at all times. The Code covers:

- Standards of conduct;
- Compliance with laws and regulations;
- Conflicts of interest and outside business affiliations;
- Personal securities transactions;
- Compliance training and certifications;
- Reporting of code violations and sanctions;
- Reports to Rockefeller & Co.'s Audit Committee and to Affiliated Mutual Funds; and
- Recordkeeping requirements

Rockefeller & Co. will provide a copy of the Code to any client or prospective client upon request.

The Code is supplemented by a number of other published directives, including a policy on business conduct, a whistleblower policy and an employee handbook. Topics covered in other policies include, among other things, outside officerships or directorships, acceptance of gifts, political contributions, confidentiality and privacy, and the prohibition of insider trading.

Illegal or improper actions undertaken either for personal benefit or in a misguided effort to achieve gains on behalf of the firm or its clients are prohibited under the Code. Violations of the Code may result in disciplinary action, including dismissal. Certain persons associated with Rockefeller & Co. ("Access Persons") are prohibited under the Code from executing personal securities transactions which might operate to the detriment of Rockefeller & Co.'s clients.

An "Access Person" is a person who has access to nonpublic information regarding clients' purchases or sales of securities (other than as clients or representatives of clients), who is involved in making securities recommendations to clients or who has access to such recommendations that are nonpublic. Rockefeller & Co.'s non-employee directors who do not have access to such information are excluded from this definition of Access Person, but nevertheless report their personal securities transactions to Rockefeller & Co.'s Compliance Staff on a quarterly basis.

The principal restrictions under the Code relating to personal trading by Access Persons are summarized below:

1. *Personal Trading Guidelines and Disclosure Obligations for Access Persons*

Access Persons must report their personal securities transactions quarterly and holdings upon commencement of employment and annually thereafter, and are subject to other personal trading restrictions.

Access Persons may not, in connection with the purchase, sale or gift, directly or indirectly, of a security held or to be acquired by a client defraud or mislead such client in any manner or engage in any act, practice or course of conduct which operates or would operate as a fraud or deceit upon such client.

Access Persons are permitted to buy and sell securities in accounts established with brokerage or investment management firms of their own choosing, provided they disclose any such accounts or arrangements to the Compliance Staff.

2. *Restrictions within Controlled Accounts*

Access Persons are generally prohibited from trading in any non-client account which they control (a "Controlled Account"), shares or interests in any non-exempt security when:

- the issuer of the non-exempt security is the subject of, or probable subject of, an investment recommendation or an active buying or selling program for clients,
- an open order is pending for that non-exempt security; or
- the issuer is restricted pursuant to Rockefeller & Co.'s Insider Trading Policy

No security may be purchased or sold in a Controlled Account by an Access Person if the purchase or sale would be reasonably expected to deprive any client of an investment opportunity after taking into account the client's other investments and investment objectives.

No security may be purchased or sold in a Controlled Account by an Access Person if the sale or purchase is effected with a view to making a profit on an anticipated market action of the security as a result of being recommended to a client for purchase or sale or after being purchased or sold by any client.

Access Persons may not invest in IPOs or limited offerings unless such investment has been approved by the Compliance Officer, Chief Compliance Officer or a member of the Compliance Committee.

### 3. *Preclearance of Personal Securities Transactions*

Access Persons are required to preclear all securities transactions in Controlled Accounts with the Trading Desk with certain permitted exceptions, such as transactions in direct obligations of the U.S. Government, unaffiliated, open-end mutual funds and other specifically excepted securities. Exchange-traded funds have been exempted from the preclearance requirement, but remain subject to an Access Person's reporting obligations. Personal securities transactions by members of the Investment Department and the Institutional Sales Department receive a heightened level of review.

### 4. *Small Capitalization Stocks*

No Access Person may effect, without the prior approval of Rockefeller & Co.'s Small Capitalization Portfolio Manager or her designee, a securities transaction in a small capitalization stock for a Controlled Account if that security is held in an internally managed small capitalization equity strategy and if the proposed transaction is likely to have any significant impact on the market price of the security.

### 5. *Reporting of Personal Securities Transactions*

All securities transactions effected by Access Persons and Rockefeller & Co.'s officers and directors (with permitted exceptions for exempt securities as noted above) must be reported to Rockefeller & Co. quarterly. This reporting requirement applies to all Controlled Accounts and any other account in which the reporting persons have a direct or indirect beneficial interest. Each quarter, trades reported by Access Persons are compared to all client trades to identify any problematic transaction.

## Insider Trading Policy

Rockefeller & Co.'s Insider Trading Policy includes procedures to prevent misuse of material nonpublic information. Rockefeller & Co. and its related persons may, from time to time, come into possession of material nonpublic and other confidential information which, if disclosed, might affect an investor's decision to buy, sell, or hold a security. Under applicable law, Rockefeller & Co. and such persons may be prohibited from improperly disclosing or using such information for their benefit or for the benefit of any other person, regardless of whether such person is an advisory client. Accordingly, should Rockefeller & Co. come into possession of material non-public or other confidential information with respect to any issuer, it may be prohibited from communicating such information to, or using such information for the benefit of, its clients, and will have no obligation to do so when following policies and procedures designed to comply with applicable law, including Section 204A of the Advisers Act.

## Participation or Interest in Client Transactions

In general, Rockefeller & Co. does not buy or sell securities for its own account as principal when a client is the counterparty to the transaction. In the limited context of correcting an



error with respect to a client account, however, Rockefeller & Co. may deem it appropriate to purchase or sell securities as principal directly with a client in order to make a fair adjustment in a client's account. It is Rockefeller & Co.'s policy to disclose and obtain consent in these circumstances. See response to Item 12, below, for a summary of Rockefeller & Co.'s Trade Correction Policy and Procedures.

Rockefeller & Co. serves as general partner, managing member, manager, and/or investment adviser of Affiliated Funds that are recommended to clients for investment. Rockefeller & Co. makes use of Affiliated Funds as a convenient means to diversify its clients' assets and to manage them such that eligible and participating clients share fairly in available investment opportunities. However, because certain types of investments may not be appropriate for all clients, not all clients will be offered the opportunity to invest and not all of those who are offered the opportunity to invest will choose to do so. Rockefeller & Co. receives advisory fees from these Affiliated Funds and in the case of certain Affiliated Private Funds, may also receive performance compensation or benefit from a carried or owned interest in such Affiliated Private Funds. Rockefeller & Co. also receives a fee for providing certain administration, accounting and tax services to Affiliated Private Funds, although in some cases this fee is paid out of the advisory fees paid to Rockefeller & Co. Given the significant role Rockefeller & Co. plays with respect to these Affiliated Private Funds, Rockefeller & Co. has an incentive to recommend them to clients.

Rockefeller & Co. was created by the Rockefeller family, and Rockefeller family members are indirect beneficial owners of Rockefeller & Co. and sit on its board of directors. As a matter of policy, Rockefeller & Co. will neither favor nor disfavor any clients, including its owners and other affiliates. As clients, however, Rockefeller family members and related entities are subject to Rockefeller & Co.'s policy on allocation of trades which is intended to assure that all eligible clients participate in recommended securities transactions on an equitable basis. See also response to Item 12 below.

As mentioned above, Rockefeller & Co. provides investment advice to clients regarding investment in various types of Affiliated Funds where Rockefeller & Co. and its related persons have an interest as a general partner, managing member, manager and/or investment adviser. Eligible officers and employees of Rockefeller & Co. are provided the opportunity to align their financial interests with those of Rockefeller & Co.'s clients by investing their personal funds in Affiliated Funds. In addition, Rockefeller & Co. and its affiliates may also invest their proprietary capital in separate accounts managed by Rockefeller & Co. and in Affiliated Funds. The services provided by Rockefeller & Co. and related persons to any Affiliated Fund recommended by Rockefeller & Co. to clients are disclosed to prospective investors in the Affiliated Fund's prospectus, private placement memorandum, partnership or operating agreement or otherwise.

### Personal Trading

Rockefeller & Co. acts as investment adviser to a number of client accounts and may give advice and take action with respect to any account it manages, or for its own accounts or for the account of an Access Person, which differs from action taken by Rockefeller & Co. on

behalf of other accounts. Rockefeller & Co. is not obligated to recommend, buy or sell, or to refrain from recommending, buying or selling any security that Rockefeller & Co. or a director, officer, employee and affiliate of Rockefeller & Co. buys or sells for its or their own accounts or for any other account Rockefeller & Co. manages. Additionally, from time to time, Rockefeller & Co. and its directors, officers and employees and affiliates will have interests in securities owned by or recommended to clients. Such interests may also arise because such persons invest or otherwise have an interest, either directly or indirectly, in Affiliated Funds or other pooled vehicles which, in turn, invest in securities held in other accounts managed by Rockefeller & Co. As these situations (as well as personal trading or other activities engaged in by Rockefeller & Co. and its personnel) can lead to potential conflicts of interest, Rockefeller & Co. has implemented procedures relating to, among other things, personal securities transactions and insider trading, as described above, that are designed to identify potential conflicts of interest, to prevent or mitigate actual conflicts of interest and to resolve conflicts appropriately, if they do occur. Subject to compliance with Rockefeller & Co.'s Code of Ethics and applicable law, such personnel are permitted to invest in securities held in client accounts.

## **Item 12: Brokerage Practices**

Rockefeller & Co. does not act as a broker or agent by effecting securities transactions for compensation for any client. Rockefeller & Co. generally determines the broker or dealer to be used and the commission rates to be paid for client trades. Rockefeller & Co.'s primary objective in placing orders is to seek prompt execution at the most favorable price and execution quality readily available to it from broker-dealers at competitive commission rates. The best net result, giving effect to brokerage commissions, spreads and other costs, is normally an important factor, but a number of other factors are considered.

In making client brokerage decisions, Rockefeller & Co. considers the following factors categorized below, keeping in mind that each order is unique. As a result, different factors will generally have varying levels of importance depending on the nature of the transaction and surrounding circumstances.

### *Transaction Specific Factors*

- **Best Price:** The actual price to be paid or received for the securities. The ability of a broker to obtain the best overall price for a transaction and to sell or buy a security with minimal disruption of the market price.
- **Commission Rates:** A key factor, although commission rates alone ordinarily should not be determinative in selecting a broker.
- **Trade Settlement (settlement risk):** A broker's ability to ensure that the securities will be delivered on settlement date.
- **Transaction Size:** A broker may specialize in block orders, large program trades or small trades.
- **Willingness to Commit Capital:** If an account holds a thinly-traded issue and there is limited interest in the security, a broker may be selected based on its willingness to purchase some or all of the securities for its own inventory.

### *Specific Broker Characteristics*

- **Market Familiarity:** The broker's knowledge of the market for the particular security.
- **Reliability:** Whether the broker has been able in the past to provide support when placing a difficult trade in this security or a similar security.
- **Integrity (ability to maintain confidentiality):** When executing orders, Rockefeller & Co. may not want to divulge its interest to the market.

- **Research Capability:** Rockefeller & Co. will consider a broker's research capability when allocating brokerage, when consistent with the duty to seek best execution and Rockefeller & Co.'s soft dollar policies, as described below.
- **Technology Infrastructure and Operational Capabilities:** Rockefeller & Co. should select a broker only if it knows that a broker has the infrastructure and operational capabilities to execute and settle the trade.
- **Financial Condition:** Rockefeller & Co. should take into account the financial condition of a broker, and may choose not to utilize a particular broker due to uncertainty regarding a broker's financial status.
- **Disciplinary History:** Rockefeller & Co. should consider risks associated with using brokers that have a history of regulatory violations or reported client disputes, with a focus on issues involving institutional services provided to clients such as Rockefeller & Co.

#### *Other Factors*

- All other relevant factors being equal, soft dollars and access to new offerings will typically be considered in the making of brokerage decisions since, in the aggregate, these are likely to confer indirect benefits on Rockefeller & Co.'s clients.
- Rockefeller & Co. may not direct transactions to (or otherwise directly or indirectly remunerate) a broker with the objective of compensating such broker for the promotion or sale of shares of any mutual funds advised or subadvised by Rockefeller & Co.

#### Soft Dollar or Research/Execution Policy

In a "soft dollar" arrangement an investment adviser makes use of client brokerage commissions to acquire investment research and brokerage services. Rockefeller & Co.'s receipt of some benefit in exchange for directing brokerage on behalf of client accounts has the potential to create a conflict of interest because Rockefeller & Co. may have an incentive to select or recommend a broker-dealer based on its interest in receiving the research and brokerage services, rather than on the clients' interest in receiving the lowest available commission rate.

Broker-dealers typically provide a bundle of services in addition to execution. In allocating brokerage, Rockefeller & Co. generally considers the value of research and brokerage services provided by a broker-dealer. Such services may include:

- Direct services such as access to a firm's research reports and research analysts, admittance to an industry conference and meetings and discussions with research personnel and company management; or

- Soft dollar payments for third party services such as financial data and systems, consumer data, proprietary risk modeling and risk management services, brokers reports, compilations of corporate earnings estimates, public filing reporting services, books and research publications and consultant services.

These research and brokerage services address themselves to a variety of matters, including analyses of industries, companies, economic factors, consumer sentiment, business and market trends and assistance in pricing securities and providing information as to the availability of securities.

Rockefeller & Co. will use soft dollars to acquire either a broker's proprietary research or third party research and brokerage services, consistent with the safe harbor, described below. Rockefeller & Co.'s portfolio managers and analysts collectively designate commission allocations to various brokers on the basis of the quality or amount of services provided, although no binding commitments are made to any broker to pay a particular amount. Nonetheless, certain broker-dealers may state in advance the amount of brokerage commissions they require for certain services and the applicable cash equivalent. Rockefeller & Co. maintains an internal allocation procedure to track the broker-dealers who provide research and the amount of research so provided, and endeavors to direct sufficient commissions to them to ensure the continued receipt of research Rockefeller & Co. believes to be particularly useful.

As of December 31, 2016, Rockefeller & Co. maintained active brokerage relationships with approximately 40 firms, and no single equity broker accounted for more than 20% of all client commissions for the 2016 calendar year.

Section 28(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), provides a "safe harbor" that allows an investment adviser to pay for research and brokerage services with the commission dollars generated by client transactions. Under SEC interpretations, client commissions may be used for certain research and brokerage products and services that assist an investment adviser in meeting its clients' investment objectives or in managing client accounts. The receipt of these services in exchange for soft dollars benefits Rockefeller & Co. by allowing Rockefeller & Co., at no direct cost, to:

- Supplement its own research and analysis activities;
- Receive the views and information of individuals and research staffs of other securities firms;
- Gain access to persons having special expertise on certain companies, industries, areas of the economy and market factors; and/or
- Gain insight into consumer preferences

Rockefeller & Co. allocates brokerage commissions to pay for brokerage and research services, where appropriate and permitted by law, or may elect to pay for these services directly.

Rockefeller & Co.'s policies with respect to the use of soft dollars are consistent with the safe harbor provided by Section 28(e) of the Exchange Act. Rockefeller & Co. generally selects broker-dealers based on its assessment of each broker-dealer's ability to provide quality executions and its belief that the research, information and other services provided by such broker-dealer may benefit client accounts.

It is often not possible to place a dollar value on the quality of executions or on the brokerage and/or research services Rockefeller & Co. receives from broker-dealers effecting transactions in portfolio securities. Accordingly, broker-dealers selected by Rockefeller & Co. 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 Rockefeller & Co. determines in good faith that such amounts are reasonable in relation to the value of the brokerage and/or research services provided, viewed either in terms of a particular transaction or Rockefeller & Co.'s overall duty to its clients.

Research obtained with soft dollars will not always be utilized by Rockefeller & Co. for the specific account that generated the soft dollars. It should be noted that the value of research and brokerage services cannot be measured precisely and commissions paid for such services generally cannot be allocated to clients in direct proportion to the value of the services to the client. Thus, at least in the short term, commissions paid in one account may, in effect, subsidize services that benefit another account. Rockefeller & Co. believes that any distortions should balance out over time as various sources of research and brokerage services should enable Rockefeller & Co. to make better investment decisions and execute more effective trades. As such, Rockefeller & Co. does not usually attempt to allocate the relative costs or benefits of research among accounts because it believes that, in the aggregate, the research it receives benefits clients and assists Rockefeller & Co. in fulfilling its overall duty to clients.

Certain clients have placed limitations on, or are subject to regulations which restrict, Rockefeller & Co.'s ability to use their brokerage commissions to generate soft dollars to pay for the broker's proprietary research and/or third party research. Clients who have these types of limitations or restrictions will in most cases benefit from research obtained through soft dollar credits generated by brokerage commissions paid by other clients.

Rockefeller & Co. uses soft dollars to pay for specific research and brokerage services or for portions of "mixed use" items (research and brokerage services that provide both investment research and non-research or administrative benefits). In the case of mixed use items, Rockefeller & Co. may use soft dollars for the research portion and pay cash for the non-research portion. Although the allocation between soft dollars and cash is not always capable of precise calculation, Rockefeller & Co. will make a good faith effort to allocate such items reasonably. Records of any such allocations and payments will be maintained.

For the calendar year ending December 31, 2016, Rockefeller & Co. directed approximately 89.7% of the total commissions paid on client transactions (excluding commissions paid on transactions directed by clients), to broker-dealers that provided proprietary research or third party research services to Rockefeller & Co. through soft dollar arrangements.

### Batched Transactions

Rockefeller & Co. seeks to allocate transactions in a manner that is fair and equitable, over time, both in the priority of execution of orders for client accounts, and in the allocation of the price (and commission or other costs and expenses, if applicable) obtained in execution of aggregated orders for such accounts. When Rockefeller & Co. believes that the purchase or sale of the same security is in the best interest of two or more of its accounts, it will typically seek to aggregate the order to seek a more favorable execution since a large order may be executed at a lower commission cost on a per-share and a per-dollar basis. The following summarizes our policies for batching transactions:

- Rockefeller & Co. may aggregate orders for all its clients, including clients (e.g., Affiliated Funds) in which firm employees invest;
- All accounts participating in the aggregated execution will receive the same average execution price (and commission, if any) as reported by the broker;
- Where the full amount of the aggregated order is not executed, the partial amount actually executed shall be allocated among the participating client accounts pro-rata on the basis of order size, subject to rounding to "round lot" amounts; any shares remaining shall be randomly allocated to the participating client accounts;
- Aggregated orders placed in markets outside of the U.S. may be required to be allocated according to the applicable laws and exchange rules of those jurisdictions; and
- In the case of supply-constrained securities, other than IPOs, when Rockefeller & Co.'s overall allocation is too small for practical pro rata distribution and retention in all interested accounts, the aggregate allocation will be placed so as to share the benefit of favorable pricing broadly across as many accounts as practicable, consistent with the goal of providing fair and equitable treatment over time. In general, this means that small allocations generally will be placed in widely-held investment vehicles benefiting as many of Rockefeller & Co.'s clients as possible.

### Brokerage for Client Referrals

Neither Rockefeller & Co. nor any of its related persons takes into consideration whether it receives client referrals from a broker-dealer or third party when selecting or recommending broker-dealers for client securities transactions.

### Gifts and Entertainment from Brokers

Rockefeller & Co. and its supervised persons may receive gifts and/or entertainment from brokers and other third parties, including brokers doing business or seeking to do business with Rockefeller & Co., subject to the requirements of Rockefeller & Co.'s Policy on Business Conduct.

### Client-Directed Brokerage Transactions

At a client's written request, Rockefeller & Co. will direct a client's orders to a broker designated by the client with the understanding that the broker will pay obligations for which the client would otherwise be responsible (such as consulting or custodial services). In addition, in connection with certain sub-advisory relationships, Rockefeller & Co. may participate in commission recapture programs established by the primary investment adviser. Rockefeller & Co. directs brokerage in this manner with the client's understanding that the directed brokerage arrangement means that Rockefeller & Co. is not expected to (and, under most circumstances, will not be in a position to), among other things, negotiate commission rates or spreads, obtain volume discounts or execute over-the-counter stock transactions directly through the relevant market maker.

Additionally, client-directed brokerage arrangements may require the segregation of a client's orders from the orders of other clients as that client's trades in a security will generally not be communicated to the directed firm until after a related batch transaction for other clients has been communicated to the executing broker-dealer. Thus, in most instances, trading for the directed account will not commence until after the batch transaction has been fully executed. Accordingly, directed transactions may be subject to price movements, particularly in volatile markets, that may result in the directed client receiving a price that is less favorable than the price obtained for the batched order and the client may also incur somewhat higher commission costs.

Clients who direct brokerage should understand that best price and execution may not be achieved. In limited circumstances, Rockefeller & Co. may, but is not required to, utilize the New York Stock Exchange "step-out" trade mechanism to satisfy client-directed brokerage requests. A step-out trade allows for the execution of an aggregated order through one broker and the clearing of a portion of the order through the client-directed broker. The client directing the brokerage is assessed commission by the confirming broker only, while the executing broker receives compensation in the form of commission from the other non-directed orders within the block trade. In this way, all clients benefit from the aggregated execution while bearing transaction costs no greater than would have been the case in the absence of a step-out.

### Cross-Trading

In certain circumstances, one or more accounts managed by Rockefeller & Co. may seek to dispose of certain securities that may be desirable for other accounts with available cash or liquidity.

Where permissible, Rockefeller & Co. may cause an account to purchase or sell securities from or to, as the case may be, another account in a "cross trade" consistent with Rockefeller & Co.'s duty to seek best execution and its applicable written policies and procedures reasonably designed to assure that all participating accounts are treated fairly and that an appropriate price is assigned to the crossed security.



Participating accounts may pay full, reduced or no commissions in connection with a cross trade (though, in no case, will such commissions be paid to Rockefeller & Co. or an affiliate). Such cross trades may reduce execution related costs and/or improve execution quality for participating accounts.

In the event that a proprietary account, or an Affiliated Fund in which Rockefeller & Co. or its personnel or affiliates have a significant ownership interest, may participate in a cross trade with another client account, Rockefeller & Co. will seek the client's consent prior to completion of the cross trade in accordance with Section 206(3) of the Advisers Act.

#### Trade Correction Policy and Procedures

Rockefeller & Co. has adopted a policy and procedures for correcting trade errors. Rockefeller & Co.'s policy and procedures regarding trade errors are intended to achieve fairness to clients consistent with Rockefeller & Co.'s fiduciary duty and contractual obligations to clients, and to comply with applicable regulatory requirements.

In general, trade errors are corrected through the use of a separate error account established by Rockefeller & Co. for this purpose. For errors discovered pre-settlement, the erroneous trade normally is transferred to, and covered in, Rockefeller & Co.'s error account. Any profits or losses realized from the correction in the trade error account will be retained by Rockefeller & Co.

When an error is detected after a trade settles in a client account, the error may be corrected directly in the client account or transferred to the error account and covered by Rockefeller & Co. The client generally will be entitled to retain any profits and, subject to a determination by Rockefeller & Co. that the error resulted in a reimbursable loss to the client, will be reimbursed for any such amount resulting from the post-settlement correction of an error. The netting of gains and losses for multiple errors is generally not permissible among clients or for the same client in the case of multiple trade errors unless the profits and losses result from the same or a related series of transactions.

## **Item 13: Review of Accounts**

### **Annual Account Reviews**

Each client relationship is generally reviewed at least annually in light of changing investment objectives and other factors. In some cases, Rockefeller & Co. may also meet with clients on a quarterly basis, participate in periodic conference calls with clients and/or respond to client requests for information. The nature of the formal account reviews depends on the type and complexity of the account, but generally includes a review of:

- Investment objectives and asset allocation;
- Account holdings and recent transactions;
- Account performance, including performance of third-party managers (if applicable);
- Spending and other requirements and upcoming cash-flow needs;
- Account specific matters (e.g., excise tax calculations and minimum charitable distributions for foundations; principal and income distributions for trusts, etc.); and
- Changes in circumstances affecting the client's long term goals and objectives

The supervised persons involved with a client review generally include the designated Client Advisor, Portfolio Manager and depending on the scope of services may also include a Trust Officer, Client Accountant or other client-service professionals assigned to the client relationship team, including senior management.

### **Periodic Account Reviews**

Conditions that may trigger a review, aside from the periodic, regularly scheduled review, would include:

- A material change in investment objectives or risk parameters;
- A significant account addition or change in cash or spending needs;
- Tax or estate planning initiatives; and/or
- Changes in the client's circumstances

### **Client Reporting**

All clients and/or their independent representatives receive a holdings report with current market values and a transaction report at least quarterly. Reports are available electronically (in .pdf format) or in hard copy format if preferred.

Certain clients also receive monthly and quarterly performance and investment reporting that may include:

- Asset Allocation Pie Chart, Summary and Detailed Statement of Assets
- Performance, and Benchmark returns (custom and blended benchmarks as appropriate)
- Portfolio overview summaries at an entity and total relationship level

- Asset allocation reporting using a single standard classification model as well as other agreed-upon industry standard classifications (such as MSCI Industry or Geographic Region)

#### **Item 14: Client Referrals and Other Compensation**

Officers, directors and employees are encouraged to recommend and refer prospective clients. When those efforts result in a new client relationship, that fact would normally be considered in connection with regular performance reviews and promotion, bonus and other compensation decisions.

Employees other than the Chief Executive Officer or dedicated sales professionals may be eligible to receive cash referral awards in connection with introductions that result in new client relationships. With respect to new client relationships introduced by non-employee Directors or members of the Rockefeller family, Rockefeller & Co. may elect to make a charitable contribution to one or more charities based on the recommendation of the Board or Rockefeller family member who introduced the new client.

From time to time, Rockefeller & Co. may enter into referral arrangements with third parties. In the context of investment advisory referrals, these arrangements would be subject to Rule 206(4)-3 under the Advisers Act and would be disclosed to prospective clients by the solicitor at the time of the referral.

Rockefeller & Co. has engaged a third-party firm to assist with the development of its business interests in the Netherlands and referrals of prospective clients. Rockefeller & Co. has agreed to pay the firm a quarterly consulting fee for these services.

### **Item 15: Custody**

Clients of Rockefeller & Co. generally have discretion to select the qualified custodian where their account assets will be maintained. Rockefeller & Co. maintains relationships with certain qualified custodians with which it has a good working and/or pricing relationship and can suggest the use of such qualified custodians in response to client inquiries for recommended service providers. Rockefeller & Co. does not receive monetary reciprocation for any such referrals.

Rockefeller & Co. will select one or more firms to serve as qualified custodian to hold the funds and securities of an Affiliated Private Fund. Rockefeller & Co. reserves the right, in its sole discretion (subject, however, to the relevant Affiliated Private Fund's governing documents), to change an Affiliated Private Fund's custodial arrangements at any time. However, Rockefeller & Co. will, to the extent required by Rule 206(4)-2 under the Advisers Act (the "Custody Rule"), provide appropriate notice upon opening such an account and upon any material changes to the manner of custody.

Depending on the scope of services provided to a client, Rockefeller & Co. may be deemed to have "custody" of assets held within a client's account within the meaning of the Custody Rule because Rockefeller & Co. may have access to or authority over client funds and securities for purposes other than issuing trading instructions. If Rockefeller & Co. is deemed to have custody over any client's account, the client's qualified custodian is required to send directly to such client and/or such client's authorized independent representative a quarterly, or more frequent, account statement indicating the amounts of any funds or securities held in such client's account as of the end of the statement period and any transactions in the account during the statement period. Clients who do not receive account statements from their qualified custodian on at least a quarterly basis should promptly report this to their Rockefeller & Co. Client Advisor.

Rockefeller & Co. generally provides clients with regular reporting packages in addition to statements that will be sent directly to clients and/or their authorized independent representatives by the qualified custodian. Clients are encouraged to review and compare these two sets of account statements and report any discrepancy to their Rockefeller & Co. Client Advisor immediately. When reviewing and comparing these two sets of statements, clients should be aware of the following:

- Most qualified custodians provide information on a settlement date basis, while Rockefeller & Co. account statements reflect data on a trade date basis;
- Money market balances held at the qualified custodian are reflected as part of cash balances on the Rockefeller & Co. account statements; and
- Investments in Affiliated Private Funds and most private investments are not separately maintained at the qualified custodian and therefore will not be reflected on the qualified custodian's statements.

With respect to Affiliated Private Funds for which Rockefeller & Co. or a subsidiary serves as the general partner, managing member or manager, Rockefeller & Co. is deemed to have

“custody” over the assets of such Affiliated Private Funds within the meaning of the Custody Rule. To comply with the Custody Rule, Rockefeller & Co. will either:

- Provide each investor in the Affiliated Private Fund audited financial statements within 120 days (or within 180 days in the case of a fund of funds) following the Affiliated Private Fund’s fiscal year end; or
- In the case of an unaudited Affiliated Private Fund, cause the Affiliated Private Fund’s qualified custodian to send the Affiliated Private Fund’s custody account statement to each investor at least quarterly.

Investors in Affiliated Private Funds who do not receive audited financial statements or, in the case of unaudited Affiliated Private Funds, quarterly custody account statements as described above, should promptly report this to their Rockefeller & Co. Client Advisor.

Rockefeller & Co. is not a qualified custodian. As a consequence, it may not take physical custody of client funds, including checks made payable to the client, and client securities (collectively, “Client Funds and Securities”). In accordance with regulatory requirements, Client Funds and Securities received by Rockefeller & Co. will be returned to the third party who sent or delivered them within 3 business days of receipt.

Rockefeller & Co. has engaged its affiliate, RTC, to serve as qualified custodian for the limited purpose of receiving and depositing into client accounts at third party qualified custodians, checks made payable to clients in connection with family office services and class action processing services offered to clients. In connection with these services, RTC obtains and provides to Rockefeller & Co. an internal control report on its custody practices prepared by an independent public accountant as required under the Custody Rule.

### **Item 16: Investment Discretion**

In relationships where Rockefeller & Co. is given discretionary authority over the investment management of a client's account, clients are generally required to sign an investment management agreement appointing Rockefeller & Co. as their discretionary investment manager and a limited power of attorney. Depending on the client's choice of custodian, the client may also need to specifically appoint Rockefeller & Co. as the discretionary investment manager over the assets held in its custody account on the custodian's custody account application. Rockefeller & Co. has a formal client acceptance process which requires an officer of the firm to sign each client agreement to evidence Rockefeller & Co.'s acceptance of its appointment as investment adviser to the client.

A client may elect to designate certain assets (such as legacy, concentrated or low-cost-basis holdings) as non-discretionary, and this restriction will be reflected in our internal system so that client consent can be obtained before a decision is made to trade in such securities. In addition, certain client assets for which Rockefeller & Co. provides reporting services may also be reflected as non-managed assets on our internal systems.

Rockefeller & Co. will typically file claim forms for class action settlements involving securities held in managed client accounts, unless another arrangement with respect to the handling of class action claims is agreed to with the client or the client has subsequently terminated its investment management relationship with Rockefeller & Co. Please refer to Item 15 for a description of the manner in which Rockefeller & Co. arranges for class action settlement checks to be deposited into client accounts at third party qualified custodians.

## **Item 17: Voting Client Securities**

Where Rockefeller & Co. has proxy voting authority over client securities, Rockefeller & Co. seeks to vote proxies in the best interest of its clients in accordance with its Proxy Voting Policies and Procedures.

A client may, at any time, retain the right to vote proxies or take action relating to securities held in the client's account, provided the client advises Rockefeller & Co. of such decision in advance of any proxy vote(s). Upon reasonable notice, Rockefeller & Co. will also adhere to any specific client direction and/or reasonable guidelines with respect to proxy voting, even if such direction or guidelines conflict with Rockefeller & Co.'s voting guidelines.

Upon request, Rockefeller & Co. will provide clients with a copy of its policies and procedures, as well as information on how Rockefeller & Co. voted proxies of securities held in that client's accounts.

### **Proxy Voting Administration**

Rockefeller & Co. has established a Proxy Voting Committee that, among other things, establishes guidelines and generally oversees the proxy voting process. The Committee consists of senior personnel and is chaired by the Chief Investment Officer. The Committee has designated those who are responsible for the day-to-day administration of the policies and procedures.

Rockefeller & Co. has engaged Glass, Lewis & Co. LLC ("GL"), an organization unaffiliated with Rockefeller & Co., to assist with proxy voting. In addition to the execution of proxy votes in accordance with Rockefeller & Co. guidelines and record-keeping services, GL also provides Rockefeller & Co. with corporate governance information, due diligence related to making appropriate proxy voting decisions, and voting recommendations. GL's analyses incorporate ESG profiles by Sustainalytics, a recognized global provider of ESG and corporate governance research and ratings. MSCI Inc. also provides Rockefeller & Co. with research on social issues impacting certain issuers of public securities.

### **Overview of Proxy Voting Guidelines**

Rockefeller & Co. has adopted and implemented these policies and procedures to ensure that proxies are voted in the best interest of clients in fulfillment of Rockefeller & Co.'s fiduciary duties and in accordance with Rule 206(4)-6 under the Advisers Act.

Rockefeller & Co. has established two sets of proxy voting guidelines: (1) a general set that governs the voting for clients not making a contrary election; and (2) a sustainability and impact focused set to be applied to specific mandates or upon client request. Both guidelines share the same philosophy with respect to corporate governance issues and consider the future appreciation of the investment as a primary concern. The guidelines, however, differ somewhat on social and environmental issues. For example, the general guidelines set forth specific governance preferences and a more general approach to social and environmental



issues. The sustainability and impact guidelines take a more specific and proactive stance on social and environmental issues. Nonetheless, environmental, social and governance issues are receiving more focus generally as a result of Rockefeller & Co.'s asset management division becoming a signatory to the United Nations Principles for Responsible Investment.

Rockefeller & Co. does not automatically vote for or against any class of resolutions, but rather follows a list of preferences. On governance issues, the two sets of guidelines share a preference for resolutions that increase disclosure and reporting and that enhance the transparency of decision-making without placing an undue burden on the company or requiring the disclosure of proprietary or competitive information. In addition, both guidelines favor proposals that seek to:

- Preserve and enhance the rights of minority shareholders;
- Increase the Board's skill base; and
- Increase the accountability of both the Board and management.

The sustainability and impact voting guidelines seek to encourage progress and leadership from companies in areas such as:

- Workplace and equality issues;
- Energy and the environment;
- Global corporate accountability; and
- International and public health

These guidelines are based on the assumption that good citizenship is good business and that encouraging companies to improve their social responsiveness can lead to improved financial performance.

#### Proxy Voting Limitations

Rockefeller & Co. will not vote proxies in countries that engage in "share blocking" -- the practice of prohibiting investors who have exercised voting rights from disposing of their shares for a defined period of time. Rockefeller & Co. will also not vote in cases where a proxy is received after the requisite voting date or with respect to specific proposals that are incoherent or that would entail extensive and uneconomic investigation or research.

#### Conflicts of Interest

Due to the nature of Rockefeller & Co.'s business and structure, it is unlikely that a material conflict of interest will arise in voting the proxies of public companies because Rockefeller & Co. does not engage in investment banking, or otherwise advise public companies. However, Rockefeller & Co. has a few affiliated persons who sit on the boards of public companies. Rockefeller & Co. may also act as an investment manager to registered mutual funds and/or manage assets for other types of public entities. In the event a material conflict does arise, it will be resolved in the best interest of the clients. In such a case, the Proxy Voting Committee will generally vote the proxy based upon the recommendation of GL. If the

Committee determines to resolve the conflict in a different manner, that approach will be documented.

#### Client Retained Proxy Voting Authority

In cases where a client has retained proxy voting authority, Rockefeller & Co. may provide the following assistance to the client, depending upon the client's preferences for the receipt and processing of proxy voting materials:

- Rockefeller & Co. will instruct the client's custodian to have all of the proxy voting materials sent to the client; or
- Rockefeller & Co. will assume responsibility for:
  - Receiving the proxy materials
  - Confirming the amount of shares held by the client as of the applicable record date
  - Obtaining the client's voting instructions
  - Completing the related paperwork according to the client's instructions, and
  - Sending the completed proxy materials to the proxy service representing the issuer or GL for processing, by the voting deadline

### **Item 18: Financial Information**

Rockefeller & Co. does not require or solicit prepayment of more than \$1,200 in investment advisory fees per client, six months or more in advance.

Rockefeller & Co. is not aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to its clients.

Rockefeller & Co. has not been the subject of a bankruptcy petition at any time during the past ten years.