



Standard Life Investments (USA) Limited
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Boston, MA 02108
Telephone: 617-720-7900

Form ADV Part 2A
March 31, 2017

Item #1: Cover Page

Important Note:

This brochure provides information about the qualifications and business practices of Standard Life Investments (USA) Limited ("SLI(USA)"). If you have questions about the contents of this brochure, please contact us at 617-720-7900. The information contained in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or any state securities authority.

Being a "registered investment adviser" or describing ourselves as "registered" does not imply a certain level of training or skill.

This brochure is not an offer to subscribe for or purchase any securities.

Additional information about SLI(USA) is also available on the SEC's website at www.adviserinfo.sec.gov.

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Item #2: Statement of Material Changes

There are no material changes to the ADV Part 2A since the previous filing in 2016.

On March 6, 2017, Standard Life plc announced a potential merger with Aberdeen Asset Management. At the time of this ADV filing the merger has not been approved by shareholders and regulators. However if the deal is approved, there may be material changes to our Form ADV, which would be filed promptly.

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Item #4: Advisory Business

4A. Advisory Business

SLI(USA) (herein also “our” and “we”) provides discretionary management of U.S. based asset classes for our clients. We intend to act as an “Investment Manager” (as defined in Section 3(38) of the U.S. Employee Retirement Income Security Act of 1974, as amended (“ERISA”)) with respect to certain clients and accounts.

SLI(USA) was formed in February 2001 and has been registered with the Securities and Exchange Commission (“SEC”) as an investment adviser since January 2002.

SLI(USA) is wholly owned by Standard Life Investments Limited (“SLIL”). SLIL is a wholly owned subsidiary of Standard Life plc, an insurance and financial services firm based in Edinburgh, Scotland. Standard Life plc is publicly traded on the London Stock Exchange (“LSE”) under ticker: SL. Standard Life plc and all its affiliates may collectively be referred to herein as “SLI.”

SLI(USA) shares investment process, risk framework, and governance structure with SLIL.

4B. Advisory Services

We offer discretionary investment management services, specializing in equity and debt issued in North America. We utilize an investment approach based on fundamental, “bottom up” analysis of individual issuers. As discussed more fully in response to Item #8, we have at our disposal a full complement of global, macro economic analysis by experts throughout our affiliated subsidiaries.

Clients and Accounts

- SLIL: SLI(USA) has been engaged by its parent, SLIL, to manage US asset classes for its client where appropriate. None of the accounts below have U.S. investors or are marketed within the U.S.
 - SLI branded registered UCITS funds
 - Segregated account and insurance product offerings of our affiliate, Standard Life Assurance Limited (“SLAL”)
 - Institutional segregated mandates
 - SL Pension accounts for the benefit of employees
- Standard Life Investments (Corporate Funds) (“SLI(CF)”): an affiliate of SLI(USA), also wholly owned by SLIL
 - Funds offered pursuant to Rule 3(c)(7) of the Investment Company Act of 1940 (private funds)
 - Advisers to Funds Registered under the Investment Company Act of 1940: Certain of these funds are available to U.S. employees on a retail basis and as part of the defined contribution plan offered by SLI(USA)
- Canadian Registered and Unregistered Funds

4C. Client Goals / Restrictions

We will tailor our advisory services for each account by accepting risk targets (i.e. tracking error) and/or limitations on investments in securities or types of securities.

SLIL and SLI(CF)

SLIL and SLI(CF) provide SLI(USA) a complete suite of regulatory, client specific, and in-house restrictions for the accounts managed for SLIL and SLI(CF).

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Canadian Registered and Unregistered Funds

The totality of regulatory, client specific, and SLI internal restrictions will be discussed and agreed with the client prior to engagement.

See also: Item #12 for a discussion of directed brokerage, and Item #13 for a discussion of how we monitor for adherence to client and regulatory restrictions.

4D. Wrap-Fee Programs

SLI(USA) does not participate in wrap-fee programs.

4E. Client Assets Under Management

As of December 31, 2016, SLI(USA) managed \$31,107,324,167.00 on a discretionary basis. We do not manage any assets on a non-discretionary basis.

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Item #5: Fees and Compensation

5A. Compensation

Currently, SLI(USA) is not paid a performance fee from its clients or accounts.

SLIL and SLI(CF)

SLI(USA) collects fees for its advisory services based upon a percentage of assets under management for accounts managed for SLIL and SLI(CF).

Canadian Registered and Unregistered Funds

SLI(USA) currently provides sub-advisory services for a Canadian registered mutual fund. The accrual of advisory fees is reflected in the fund's daily net asset value and paid monthly in arrears.

5B. Methods of Payment

SLI(USA) will receive advisory fees for each billing period in arrears. Billing periods will vary depending on the client and/or investment vehicle, but in all cases would be disclosed within the IMA or fund offering documents, as applicable. We may consider alternative arrangements on request by the client.

5C. Other Fees

In the management of accounts, SLI(USA) will cause the account to pay brokerage, spreads, and other transaction costs. The amount and timing of these fees will vary according to, among other things, strategy and investment structure. In all instances, costs which are controlled by SLI(USA) and paid by clients are considered in light of our fiduciary duty and our duty to seek best execution.

Accounts will typically pay other fees in relation to their account, including custody, legal, and administrative fees.

See also: Brokerage costs are discussed more fully in Item #12.

5D. Advance Payment of Fees

SLI(USA) currently does not, nor does it intend to, seek payment for services in advance. Such an arrangement would only be considered in response to a request from a client or potential client.

5E. Compensation for Sale of Securities

Certain SLI(USA) employees market advisory services of, or interests in private funds managed by, our advisor affiliate SLI(CF). Employees do not receive sales commissions for their sales activities. However, SLI(USA) considers an employee's success in attracting new clients to SLI(CF) and other factors when it determines the employee's compensation. Other factors may include our overall performance and the employee's contribution to performance, for example, through developing product strategies, fostering relationships with consultants and successfully predicting market and competitive trends.

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Item #6: Performance Based Fees and Side-by-Side Management

Performance Fees

SLI(USA) does not currently, nor does it foresee, charging clients advisory fees based upon the realized or unrealized gains of an account (i.e. performance fees).

Side by Side Management:

Conflicts of interest may arise in the management of multiple accounts which use the same strategy or asset classes. For example, some clients may pay a higher asset under management fee rate. SLI manages strategies which are held in both retail and retirement accounts of U.K. employees. SLI also manages strategies which are held in U.S. retail accounts and U.S. employee retirement accounts. In addition, Standard Life Investments manages a pool of assets in certain strategies for the benefit of the Standard Life plc pension plan. In addition, SLI manages money for Standard Life plc separate accounts. These circumstances raise a conflict of interest in that we may make decisions which would give an unfair performance advantage to one client over another. These decisions could include:

- allocate limited investment opportunities to the fund with the highest degree of performance incentive, or cause certain portfolios to trade ahead of others (i.e. front running),
- dedicate more resources to the identification and vetting of investment opportunities for the funds with the highest degree of performance incentive,
- attempt to exert undue influence over the entities responsible for the independent valuation of investments,
- refrain from challenging valuations which SLI(CF) has reason to believe may be above the reasonable market valuations, or apply pressure to auditors (e.g. threaten to end engagement) to approve valuations.

SLI(USA) and SLIL have deployed the Investment Governance Team, a dedicated group of professionals responsible for the oversight of investment management. The Investment Governance Team reviews portfolios for alignment with client-specific and regulatory restrictions, performance dispersion, as well as adherence to our own guidelines for prudent investment management. The Head of Investment Governance serves as Chairman of the Risk and Exposures Committee, which, along with representatives of senior management, investment governance, the Head of centralized dealing, and the Heads of certain asset classes, reviews portfolio performance, tracking, and dispersion.

See also: Item #6 for a discussion on side by side management and Item #12 for a discussion of directed brokerage, and Item #13 for a discussion of the Investment Governance Team.

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Item #7: Types of Clients

As discussed in Item #4 above, our investors include SLAL, SLI(CF), U.S. registered mutual funds, and Canadian register and nonregistered mutual funds.

SLI(USA) does not currently employ a minimum investment for its advisory services.

Side by Side Management:

Conflicts of interest may arise in the management of multiple accounts which use the same strategy or asset classes. For example, some clients may pay a higher asset under management fee rate. SLI manages strategies which are held in both retail and retirement accounts of U.K. employees. SLI also manages strategies which are held in U.S. retail accounts and U.S. employee retirement accounts. In addition, Standard Life Investments manages a pool of assets in certain strategies for the benefit of the Standard Life plc pension plan. In addition, SLI manages money for Standard Life plc separate accounts. These circumstances raise a conflict of interest in that we may make decisions which would give an unfair performance advantage to one client over another. These decisions could include:

- allocate limited investment opportunities to the fund with the highest degree of performance incentive, or cause certain portfolios to trade ahead of others (i.e. front running),
- dedicate more resources to the identification and vetting of investment opportunities for the funds with the highest degree of performance incentive,
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See also: Item #6 for a discussion on side by side management and Item #12 for a discussion of directed brokerage, and Item #13 for a discussion of the Investment Governance Team.

Client Complaints:

SLI may have a conflict when presented with a client complaint. Individual teams may not wish to disclose a control failure which resulted in the complaint. Conversely, SLI may not wish to disclose a control failure to a client or fund investor to avoid reputational damage or financial reimbursement. SLI has implemented controls and transparency which is designed to ensure that all control failures receive the appropriate consideration and are reported through established channels. The Operational Risk and Control platform provides an automated way to report control failures and associated corrective and preventative action plans. The duty to report

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control failures is imbedded within relevant Control Self Assessments completed quarterly across various business units.

In addition, the following conflicts apply to our affiliates, SLI(CF), private funds:

Certain conflicts arise in the management of assets on behalf of Funds sponsored and offered by SLI. That is, there are instances where the interests of SLI may conflict with the interests of the Funds, or where SLI is in a position to cause the Fund to act in a way that puts the interests of certain investors in conflict with the interests of others.

Auditors:

Due to the number of entities requiring audits of financial statements, SLI may be in position to exert pressure on auditors to produce unqualified opinions. Similarly, SLI may seek to unduly influence the audit firm engaged to conduct the testing required to produce the ISAE 3402 Report of Internal Controls. To mitigate this conflict all engagements are overseen by the Audit Committee of the Standard Life plc Board of Directors.

Valuation:

SLI has an incentive to influence the valuation of securities in the Fund in order to increase the value of the Fund. This would not only increase the revenue paid to SLI but may also assist in additional marketing activities. SLI has engaged a third party administrator which is responsible for the valuation of assets. The relationship with administrators is the duty of the Supplier Management Team, which is separate from the Portfolio Management or Sales teams.

Expenses:

SLI has an incentive to cause the U.S. private funds and non-U.S. private funds to pay expenses that SLI would typically have to pay. Furthermore, SLI may be conflicted in the choice of service providers due to other commercial incentives i.e. overpaying certain service providers to reward for other commercial businesses. There are various controls and processes in place to ensure expenses are paid and suppliers are chosen properly. The controls include:

- All expenses are adequately outlined in fund documentation,
- U.S. private funds and non-U.S. private funds go through independent audits,
- Expenses are reviewed by the Risk & Compliance Team,
- Suppliers are chosen through the procurement process which is separate from the other SLI functions.

Side Letters:

SLI, through employees and affiliates serving on the Board or General Partner of Funds, may be able to provide superior terms to certain investors in its funds. While SLI may do so in limited circumstances, all such instances would be subject to review and approval by the appropriate governance function and internal counsel. All considerations would be made subject to SLI's fiduciary duty to act in the best interest of the Fund and its investors.

Board of Directors:

Affiliates, employees of SLI(CF), or employees of providers to SLI (CF) may act as General Partner ("GP") or Directors, respectively, for the private funds managed by SLI(CF). This raises a conflict of interest in that those affiliates or employees may act in a manner consistent with the interests of SLI(CF), affiliates, or employees rather than the Funds themselves.

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SLI has established corporate governance structures to allow for the independent assessment of the operations of the funds. The Product Governance Team is responsible for assessing whether the Funds, including the Board and/or GP, are operating in a manner consistent with the Fund's legal documents and SLI's own internal governance philosophy and standards. The Fund Governance Team is responsible for assessing whether the investment operations of SLI(CF) are in alignment with the legal documents of the Fund and SLI internal management parameters.

External Counsel:

There is a potential conflict around the selection of external counsel for the U.S. private funds. The General Partner of the U.S. private funds selects the external counsel for the fund. The General Partner is under control of SLI(CF).

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

8A. Methods of Analysis

In serving the needs of our clients, our portfolio managers are able to take advantage of the insights and expertise of their colleagues across Standard Life affiliates. While we are responsible for investment decisions for our clients, those decisions are informed through a disciplined, team-oriented approach to investment analysis.

Analysts are responsible for the recommendation of investment ideas. They study and analyze various sectors in the economy, develop proprietary models and recommend investment decisions.

Our investment process is designed to be robust and repeatable. It combines asset allocation, stock selection, portfolio construction, risk management and trading. It is research intensive and is built around the SLI Focus on Change philosophy.

Focus on Change

Focus on Change seeks to identify the key factors that drive the market price of an investment. The understanding of the dynamics behind these drivers allows us to focus on what is changing and whether these changes will lead to revised market expectations, and ultimately a revised price. The best opportunities come in the investments where we not only have the deepest insights but also the greatest conviction that market expectations are going to change. Focus on Change is not inherently growth or value biased or momentum driven.

SLI ensures discipline around this philosophy by requiring that all investment decisions are justified by answers to key questions. These questions represent the common investment language of SLI and are among all affiliates and across all asset classes. This common language is key to generating investment insights and convictions that can be easily understood and exploited by SLI(USA) and our affiliates.

The House View

The aggregate of all investment insights through both bottom-up and top-down analysis is collated and expressed in the House View. The House View describes the outlook for the major asset classes. It provides strategic direction to SLI's investment teams and a clear forward-looking focus.

Risk of Loss

Of course, no investment manager or strategy can guarantee the performance of a portfolio. Our fundamental research may not yield accurate insights into the future value of a company. Likewise, macro economic factors may influence the value of investments in a direction or of a magnitude different than we expected.

As a result, a portfolio may produce inferior returns or volatility different from that which is expected by us and our clients. All investments, including those made by us on behalf of our clients, may decline in value. It should be noted that past performance is not always an accurate indicator of future returns.

We will always endeavour to act in a manner consistent with its fiduciary duty. However, investing in securities involves risk of loss that the client should be prepared to bear.

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8B. Risks of Strategies

We manage long-only equity and debt strategies. The benchmark and target for these strategies is specific to the separate account mandate from each client.

While the risks inherent in investment in equities and debt are discussed in Item 8C directly below, there is a general risk that SLI(USA) will not achieve the target performance for the strategy. That is, our fundamental research may not provide useful or accurate insights on the future value of a company. Our macro economic analysis may fail to predict significant factors moving the markets.

Strategy Risk Table

The table below and the section that follows sets forth information concerning the risks that may be involved with each strategy listed. A "✓" in the table indicates that the strategy involves the corresponding risk. An empty box indicates that the strategy does not involve the corresponding risk in a material way. However, an empty box does not guarantee that the strategy will not be subject to the corresponding risk. If applicable, please refer to the offering documents for a more detailed discussion of the risks involved with investing in each strategy.

Risk Type	Fixed Income	Equity
Equity Securities Risk (General)	✓	✓
General Economic Risk	✓	✓
High Yield Debt Risk	✓	
Interest Rate Risk	✓	✓
Initial Public Offering Risk	✓	✓
Issuer Risk	✓	✓
Liquidity Risk	✓	✓
Market Risk	✓	✓
Micro/Small/Midcap Companies Risk	✓	✓
Counterparty Risk	✓	✓
Unlisted Financial Instruments Risk	✓	✓

8C. Risks of Certain Types of Securities

The risks set forth below represent a general summary of the risks that may be involved in the investment strategies discussed above.

Equity Securities Risk (General)

The value of equity securities of public and private, listed and unlisted companies and equity derivatives generally varies with the performance of the issuer and movements in the equity markets. As a result, an account may suffer losses if it invests in equity instruments of issuers whose performance diverges from SLI(USA)'s expectations or if equity markets generally move in a single direction. Accounts also may be exposed to risks that issuers will not fulfil contractual obligations such as, in the case of convertible securities or private placements, delivering marketable common stock upon conversions of convertible securities and registering restricted securities for public resale.

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General Economic Risk

Economic risk can generally be described as the likelihood that an investment will be affected by macroeconomic conditions such as government regulation, exchange rates, or political stability, most commonly one in a foreign country.

Fixed Income

The value of fixed income securities (including bonds, notes and asset-backed securities) will typically change as interest rates fluctuate. During periods of rising interest rates, the values of fixed income securities generally decline. Conversely, during periods of falling interest rates, the values of fixed income securities generally rise. This kind of market risk, also called interest rate risk, is generally greater for investments in fixed income securities with longer maturities and/or longer durations (a measure of the expected cash flows of fixed income securities). Interest rate risk generally is more pronounced with lower-rated fixed income securities.

Fixed income securities are also subject to credit risk. Credit risk relates to the ability of the issuer to make payments of principal and interest. Obligations of issuers are subject to the provisions of bankruptcy, insolvency and other laws affecting the rights and remedies of creditors. Financial strength and solvency of an issuer are the primary factors influencing credit risk. In addition, subordination, lack or inadequacy of collateral or credit enhancement for a debt instrument may affect its credit risk. Credit risk may change over the life of an instrument and securities which are rated by rating agencies are often reviewed and may be subject to downgrade. Credit risk is particularly acute for lower-rated securities, for unrated securities and for certain non-U.S. government securities.

Strategies may invest in high yield debt securities which are rated below investment-grade by one or more nationally recognized statistical rating organizations, or are unrated, but of comparable credit quality to obligations rated below investment-grade, and have greater credit and liquidity risk than more highly rated debt obligations. High yield debt is generally unsecured and may be subordinate to other obligations of the obligor. The lower rating of high yield debt reflects a greater possibility that adverse changes in the financial condition of the obligor or in general economic conditions (including, for example, a substantial period of rising interest rates or declining earnings) or both may impair the ability of the obligor to make payment of principal and interest. Many issuers of high yield debt are highly leveraged, and their relatively high debt-to-equity ratios create increased risks that their operations might not generate sufficient cash flow to service their debt obligations. In addition, many issuers of high yield debt may be (i) in poor financial condition, (ii) experiencing poor operating results, (iii) having substantial capital needs or negative net worth or (iv) facing special competitive or product obsolescence problems, and may include companies involved in bankruptcy or other reorganizations or liquidation proceedings. Certain of these securities may not be publicly traded, and therefore it may be difficult to obtain information as to the true condition of the issuers. Overall declines in the below investment-grade bond and other markets may adversely affect such issuers by inhibiting their ability to refinance their debt at maturity. High yield debt is often less liquid than higher rated securities.

High yield debt is often issued in connection with leveraged acquisitions or recapitalizations in which the issuers incur a substantially higher amount of indebtedness than the level at which they had previously operated. High yield debt has historically experienced greater default rates than has been the case for investment-grade securities. GARS may also invest in equity securities issued by entities with unrated or below investment-grade debt.

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Interest Rate Risk

Interest rate risk describes the risk that the value of a security will go down because of changes in interest rates. For example, when interest rates overall increase, bond issuers must offer higher coupon rates on new bonds in order to attract investors. The consequence is that the prices of existing bonds drop because investors prefer the newer bonds paying the higher rate. On the other hand, there's also interest-rate risk when rates fall because maturing bonds or bonds that are paid off before maturity must be reinvested at a lower yield.

Initial Public Offering ("IPO") Risk

Investments in initial public offerings (or shortly thereafter) may involve higher risks than investments issued in secondary public offerings or purchases on a secondary market due to a variety of factors, including, without limitation, the limited number of shares available for trading, unseasoned trading, lack of investor knowledge of the issuer and limited operating history of the issuer. In addition, some companies in initial public offerings are involved in relatively new industries or lines of business, which may not be widely understood by investors. Some of these companies may be undercapitalized or regarded as developmental stage companies, without revenues or operating income, or the near-term prospects of achieving them.

Issuer Risk

The value of a security may decline for a number of reasons which directly relate to the issuer, such as management performance, financial leverage and reduced demand for the issuer's products or services.

Liquidity Risk

Liquidity risk is the risk that an investment may not be able to be bought or sold quickly for a price that is close to the true underlying value of the asset. When there is little or no active trading market for specific types of securities, it can become more difficult to sell the securities at or near their perceived value. In such a market, the value of such securities and the value of your investment may fall dramatically, even during periods of declining interest rates. Liquidity risk also exists when a particular derivative instrument is difficult to purchase or sell. If a derivative transaction is particularly large or if the relevant market is illiquid (as is the case with many privately negotiated derivatives), it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price. Liquidity risk is usually higher in over-the-counter markets and small-capitalization stocks. Foreign investments can also pose liquidity risks; the size of foreign markets, the number of companies listed, and hours of trading may limit your ability to buy or sell a foreign investment.

Market Risk

Market risk is the possibility for an investor to experience losses due to factors that affect the overall performance of the financial markets. The market value of a security may decline due to general market conditions that are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. Market risk, also called "systematic risk," cannot be eliminated through diversification, though it can be hedged against. The risk that a major natural disaster will cause a decline in the market as a whole is an example of market risk. Other sources of market risk include recessions, political turmoil, changes in interest rates, labor shortages, and terrorist attacks.

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Micro/Small/Midcap Companies Risk

Investments in micro and smaller capitalization companies involve higher risks in some respects than do investments in larger "blue-chip" companies. For example, prices of micro- and small-capitalization and even medium-capitalization companies are often more volatile than prices of large-capitalization companies and may not be based on standard pricing models that are applicable to large capitalization companies. Furthermore, the risk of bankruptcy or insolvency of many smaller companies (with the attendant losses to investors) may be higher than for larger, "blue-chip" companies. Finally, due to thin trading in some micro- and small-capitalization companies, an investment in those companies may be illiquid.

Counterparty Risk

Counterparty risk, also known as default risk, is the risk that a party to a transaction, such as a broker, will fail to fulfil its obligations. Counterparty risk is a type of credit risk.

There is a risk of insolvency for the firms with which we maintain collateral or margin. While we monitor the credit ratings of counterparties, insolvency or other corporate action may lower our ability to collect or utilize the funds held at that institution.

Unlisted Financial Instruments Risk

Unlisted securities may involve higher risks than listed securities. Because of the absence of any trading market for unlisted securities, there may be little or no liquidity in unlisted securities; therefore, it may take longer to liquidate, or it may not be possible to liquidate these types of securities. Given many unlisted securities are relatively illiquid or "thinly traded" this could enhance the volatility of the share price and make it difficult to sell the securities at a later date.

The valuation of unlisted securities is much more difficult to calculate than listed securities and the use of leverage may amplify a fund's volatility. Valuations may be misleading, and prices quoted in some unlisted securities may be historical only and may not reflect recent trading in the company concerned.

Transparency of the unlisted securities market is not done through the systems of the exchanges. Prices are therefore not openly displayed. There is a risk that brokers and dealers are not aware of all the trading in particular unlisted securities and that customers are being disadvantaged by reliance on incomplete volume and price information.

Exchange securities prices are quoted regularly in newspapers that allow investors to keep track of the prices of their securities. Since unlisted securities are not traded in an open market investors must rely upon their broker to obtain the information. Companies whose securities are not publicly traded may not be subject to public disclosure and other investor protection requirements applicable to publicly traded securities.

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Item #9: Disciplinary Information

9A. Civil or Criminal Actions

SLI(USA) has no such actions to disclose.

9B. Administrative Proceedings

SLI(USA) has no such administrative proceedings to disclose.

9C. SRO proceedings

SLI(USA) has no such SRO proceedings to disclose.

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Item #10: Other Financial Industry Activities and Affiliations

10A. Broker-Dealer

SLI(USA) has formed a wholly owned subsidiary, Standard Life Investments Securities, LLC ("SLIS"). SLIS is registered as a member of the Financial Industry Regulatory Authority ("FINRA") as a broker-dealer.

SLIS is a "limited purpose" broker-dealer and will be the entity responsible for coordinating the offering of private funds managed by our affiliate SLI(CF), SL Capital Partners LLP ("SL Capital"), and SL Private Capital ("SLPC").

SLIS has a potential conflict of interest in that the only products it offers are those of Standard Life Investments. However, SLIS undertakes all reasonable efforts to ensure products are suitable for investors given applicable FINRA requirements and an investment adviser's fiduciary duty.

10B. Futures Commission Merchants ("FCM"), Commodity Pool Operators ("CPO"), Commodity Trading Advisors ("CTA")

SLI(USA) is also registered as a CTA.

SLI(CF) is registered under the U.S. Commodity Futures Trading Commission ("CFTC") Rule with the National Futures Association ("NFA") as a Commodity Pooled Operator ("CPO") and Commodity Trading Adviser ("CTA").

10C. Other Relationships or Arrangements

1. Other investment adviser: SLI(USA) shares investment knowledge, governance, back-office, and compliance resources with its parent SLIL, and affiliated adviser SLI(CF). SLI(USA) believes that these relationships pose no material conflicts of interest to SLI(USA) clients.
2. Insurance company or agency: A subsidiary of Standard Life plc (and therefore an affiliate of SLI(CF)), is Standard Life Assurance Limited ("SLAL"), which undertakes activities in the U.K. and Europe which deem it to be an insurance company. SLAL has directed investments to be advised by SLI. SLI manages:
 - strategies which are held in both retail and retirement accounts of U.K. employees,
 - strategies which are held in U.S. retail accounts and U.S. employee retirement accounts,
 - pools of assets in certain strategies for the benefit of the Standard Life plc pension plan,
 - separate accounts for Standard Life plc.

These circumstances raise a conflict of interest in that we may make decisions which would give an unfair performance advantage to one client over another. These decisions could include:

- allocate limited investment opportunities to the funds with higher degrees of SLAL or employee investments, or cause certain portfolios to trade ahead of others (i.e. front running),

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- dedicate more resources to the identification and vetting of investment opportunities for the funds with higher degrees of SLAL or employee investments,
- attempt to exert undue influence over the entities responsible for the independent valuation of investments,
- refrain from challenging valuations which SLI(USA) has reason to believe may be above the reasonable market valuations, or apply pressure to auditors (e.g. threaten to end engagement) to approve valuations.

SLI(USA) and SLIL have deployed the Investment Governance Team, a dedicated group of professionals responsible for the oversight of investment management. The Investment Governance Team reviews portfolios for alignment with client-specific and regulatory restrictions, performance dispersion, as well as adherence to our own guidelines for prudent investment management. The Head of Investment Governance serves as Chairman of the Risk and Exposures Committee, which, along with representatives of senior management, investment governance, the Head of centralized dealing, and the Heads of certain asset classes, reviews portfolio performance, tracking, and dispersion.

See also: Item #6 for a discussion on side by side management, Item #12 for a discussion of directed brokerage, and Item #13 for a discussion of the Investment Governance Team.

3. Sponsor or syndicator of limited partnerships: SLI(USA), SLI(CF), SL Capital Partners, LLP ("SLCP"), and SL Private Capital ("SLPC") are owned, wholly or in part, by SLIL. SLI(CF), SLCP, and SLPC serve as investment managers for, among other clients, limited partnership vehicles ("LP's"). Related parties serve as general partner for these partnerships. From time to time, SLIL or its officers, directors, or employees make investments into these LP's, in the form of seed capital or general investment.

The existence of affiliated investors in certain LP's may pose a conflict of interest. SLI(USA), SLI(CF), SLCP, and SLPC have implemented controls which address this conflict.

Please see Item #13 for information relating to the Investment Governance process, whereby portfolio managers are held accountable for investment decisions and adherence to each client's IMA.

10D. Recommendation or Selection of Other Investment Advisers

SLI(USA) does not recommend or select other investment advisers for its clients.

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

11A. Code of Ethics

SLI(USA) has adopted the SLI Global Code of Conduct and the SLI Addendum Code of Conduct (collectively called "the Code").

The Code, which all SLI employees are required to adhere to, explains how SLI expects its people to behave and reflects the high standards which have characterised Standard Life Investments for over 180 years. The Code provides the principles for the conduct of investment business, laid down by the SEC and FCA. In addition, it provides clarity around our responsibilities to clients, government officials, competitors and communities we serve, and outlines important legal and ethical issues. The Code is available to current and prospective clients upon request. Supplemental to the Code, the following policies and/or procedures are provided:

Personal Trading Policy

From time to time, directors, officers, employees or their related persons (collectively referred to as 'employees') of SLI(USA) may wish to engage directly or indirectly in a personal investment in securities. These securities may include those that SLI(USA) has bought or sold on behalf of clients. This process is governed by a personal trading policy and insider information procedure which all employees of SLI(USA) must adhere to. The Code requires that the compliance manager, Chief Compliance Officer, or a person so designated by the compliance manager or Chief Compliance Officer, review all reports submitted by employees pursuant to the Personal Trading Policy.

Electronic Communication Policy

SLI(USA) recognises the need for security over the data held on company computer systems. As such, all employees are required to follow the guidelines within the Code, and are only permitted to use approved means of electronic communication which are fully described in the Electronic Communication Policy.

Gifts & Entertainment Policy

SLI(USA) requires that its employees do not offer or accept any gift, entertainment, or other financial or non-financial benefit which would cause, or appear to cause, a conflict with SLI(USA)'s fiduciary duties to its clients. Full details of restrictions and reporting requirements can be found in the Gifts & Entertainment Procedure.

Political Contributions to Certain U.S. Political Campaigns

Under Rule 206(4)-5 of the Investment Advisers Act of 1940, SLI(USA) employees are subject to restrictions on contributions to political campaigns in the United States. The Rule limits the political contributions (federal, state, and local) that investment advisers and certain current and prospective employees can make. In addition, allowable (exempted) contributions to U.S. political campaigns are subject to preapproval and reporting requirements. All SLI(USA) employees must receive preapproval prior to making political contributions. Full details of restrictions and reporting requirements can be found in the Political Donations within U.S. Procedure.

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Conflicts of Interest – Outside Business Activities

All SLI(USA) are required to report those activities that they engage in outside of their employment with SLI(USA). In addition, employment by members of a household that pose a conflict are required to be reported by the SLI employee. All such activities are reviewed by the Risk and Compliance Team to determine the extent to which a conflict arises, or appears to arise, from the outside activity.

Conflicts of Interest Policy & Conflicts of Interest Register

A conflict of interest is defined as any situation where the interests of SLI and its subsidiaries, including its managers and employees, conflict with those of a client, or where there is a conflict between one client of SLI and another.

SLI(USA) maintains a comprehensive Conflicts of Interest Register which details the conflicts arising from our business as well as the policies, controls, and reporting which has been implemented to mitigate those conflicts. The Conflicts of Interest Register is reviewed at least annually, and updated as needed. All SLI(USA) employees are responsible for the identification of conflicts of interest, and notifying the compliance manager, Chief Compliance Officer, or a person so designated by the compliance manager or Chief Compliance Officer, who will ensure the conflict is added to the Register. Full details pertaining to policy standards, procedures, responsibilities of employees, and escalation procedure can be found in the Conflicts of Interest Policy.

A complete copy of the Code is available upon request to the following:

Standard Life Investments (USA)
ATTN: Compliance Department
1 Beacon Street, 34th Floor
Boston, MA 02108

11B. Securities Where SLI(USA) has a Material Financial Interest

SLI(USA) does not recommend securities to its clients or accounts in which it has a material financial interest. However, its affiliates including SLI(CF), SLIL, and SLIS, will recommend private fund securities where employees may be invested or where SLI(CF) and SLIL control the General Partners.

SLIL and SLI(CF)

The U.S. private funds could invest in pooled vehicles managed by SLI(CF) or its affiliates, which may pose conflicts of interest. SLI(CF) could make investments in underlying funds managed by SLI in order to earn additional investment advisory fees. To prevent conflicts such as this, SLI(CF) has controls in place which prohibit the earning of “double fees” on its advisory service.

SLI(CF) could also have other incentives to cause the private funds to invest in collective vehicles it manages. For example, investments could be made for the purpose of stabilizing the flows of the underlying funds, in essence disguising what would otherwise appear to be investor redemptions. In addition, there could be marketing or other commercial advantages to investing in the private funds underlying funds. To mitigate conflicts such as this, we employ a tri-party arrangement where the needs of investors are clearly identified and implemented by the client manager, portfolio manager, and the Investment Governance Team.

In addition, as mentioned above and discussed further in Item #13 below, the Investment

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Governance program stands apart from the investment process and is responsible for ensuring client portfolios are being managed consistent with SLI(CF)'s fiduciary duty and the IMA. Please see section 11C directly below for instances where employees may have invested in publically traded securities which may also be traded and held in the portfolios of SLI(USA) clients and accounts.

11C. Recommendation of Securities Held in Employee Accounts

SLI(USA) employees may, from time to time, invest in securities which are recommended to clients. Such employee trading raises a potential opportunity for an employee to gain from knowledge of upcoming trades in client accounts (i.e. front running). Employees who manage client accounts may also trade for those accounts in a way that benefits his or her own beneficial holdings rather than client interests.

Employees of SLI(USA) may invest in securities issued by funds for which our affiliate, SLI(CF), serves as investment manager, including certain U.S. private funds. In the U.S., a share class of a mutual fund for which SLI(CF) serves as adviser is offered through the defined contribution plan (401K plan). In the U.K. and Europe, similar shares of collective funds are offered to employees. This raises a potential conflict that superior investment opportunities, personnel, or other resources will be channelled to the funds in which employees have beneficial interest.

SLI(USA) has adopted policies and procedures to mitigate these conflicts and protect client interests. The personal dealing policy, described above, is designed to prevent employees from trading in a manner inconsistent with the fiduciary duty owed to clients. The Investment Governance structure, described in Item #13 below, is designed to, among other things, monitor whether the investment process is adequately mitigating conflicts of interest.

11D. Investing in the Same/Similar Securities for Personal Accounts as Client Accounts

We may recommend to a client the purchase or sale of a security in which an employee has a financial interest. This may occur when a security is held in an employee's personal account.

Such a situation raises the possibility of a conflict of interest between the employee's personal account and the best interest of clients. For example, an employee may attempt to trade in securities prior to trading on behalf of client accounts (i.e. front running). Alternatively, an employee may seek to benefit from client trading activity by trading in the opposite direction (i.e. buy vs. sell) immediately following client trading.

We have adopted policies within its Code to address this conflict. Specifically, all personal trades, with limited exceptions, are required to be pre-cleared by the appropriate Head of the Desk handling that security (e.g. the Head of the U.S. Equity Desk). Pre-approval may only be granted when the trade will not cause a conflict, or the appearance of a conflict, with trading for client accounts.

We employ a blackout period of up to 5 days prior to client trades for portfolio managers and analysts covering securities. However, in certain cases the blackout period may not be enforced. An example of this would be where a personal trade is approved when, in the best judgement of the Head of Desk, no trading in client accounts is anticipated. Subsequent, unforeseen, client trading within 2 days would not automatically cause the personal trade to be voided. Other exceptions to the blackout period may be granted by the Head of Desk when, in his/her best professional judgement and in light of fiduciary duty, such personal trading does not pose a conflict to client trading.

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All personal trading is reviewed by the SLI(USA) Risk and Compliance Team for evidence of instances or patterns where personal trading could be interpreted to have been placed ahead of client interests.

Other Conflicts

Other Conflicts – SLI(USA) Affiliates and Employees Acting as Fund General Partner or Directors: Affiliates, employees of SLI(USA), or employees of providers to SLI (USA) may act as General Partner or Directors, respectively, for the private funds affiliated with SLI(USA). This raises a conflict of interest in that those affiliates or employees may act in a manner consistent with the interests of SLI(USA), affiliates, or employees rather than the Funds themselves.

SLI has established corporate governance structures to allow for the independent assessment of the operations of the funds. The Product Governance Team is responsible for assessing whether the Funds, including the Board and/or GP, are operating in a manner consistent with the Fund's legal documents and SLI's own internal governance philosophy and standards. The Fund Governance Team is responsible for assessing whether the investment operations of SLI(USA) are in alignment with the legal documents of the Fund and SLI internal management parameters.

Other Conflicts – Cross Trades:

SLI(USA) may, from time to time, purchase (sell) for accounts a security from (to) other accounts (i.e. cross trades). Cross trades create a conflict of interest whenever there exists an incentive to favor one account over another. Examples would include (a) when certain clients pay performance fees while others do not, or (b) when SLI(USA) employees or affiliates own interests in the account or fund.

SLI(USA) has adopted policies and oversight to ensure that cross trades are conducted for the benefit of both participating clients. Rationale for each trade must be recorded and maintained for all crosses. In addition, the investment governance process oversees the methodology for crosses, and the Trade Management Oversight Committee reviews reporting monthly for cross activity.

Other Conflicts – Duties of the Portfolio Management Team:

From time to time, portfolio managers are called upon to spend time in activities related to attracting new investors into the strategies they manage. These activities present a conflict in that sales-related activities remove the portfolio managers' attention away from the management of assets.

SLI(USA) has implemented a structure of Investment Specialists who are separate from the Portfolio Management Team but are nonetheless strategy experts. The role of the Investment Specialist is dedicated to sales and client relationship activities. In addition, the team approach taken in the consideration of investment ideas facilitates appropriate coverage of portfolio during times when a portfolio manager is away from his or her desk.

Other conflicts – Investment Processes:

SLI(USA) and its affiliates operate globally and maintain relationships which may pose conflicts with certain investment related processes. For example, we may manage assets for a pension plan of a company that also issues publicly traded securities. SLI(USA) may seek to support management through:

- voting in proxies in contravention of SLI policy in a way that favors management;

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- holding the equity or debt issuances of the broker in a weight greater than would be supported by the investment thesis.

In addition, in the SLI UK retail funds are offered through a distribution network that includes broker dealers. Certain of these broker dealers may offer research to SLI(USA) or may themselves be issuers of securities. In addition, the brokers may employ analysts who publish reports about the value of the SLI(USA)'s parent Standard Life plc.

In these cases, SLI(USA) may seek to incentivize these brokers to promote SLI U.K. retail funds or publish favorable research reports on the value of Standard Life plc shares by:

- increasing the allocation of research to the broker by the Portfolio Managers;
- increasing the allocation of brokerage by the Central Trading Desk;
- voting in proxies in contravention of SLI policy in a way that favors management;
- holding the equity or debt issuances of the broker in a weight greater than would be supported by the investment thesis.

SLI(USA) has adopted policies and controls designed to mitigate these conflicts. These include the segregation of sales and investment/trading process and reporting lines (please see Item #12 for brokerage practices). The voting of proxies is overseen by the Governance and Stewardship Team (please see Item #17 for proxy voting). Oversight as to the proper investment process by portfolio managers is conducted by the Investment Governance Team (please see Item #13). The Risk and Compliance Team monitor the U.K. distribution channel for these conflicts as well as certain portfolio holdings, brokerage and research allocations, and proxy voting.

Standard Life Investments has partners in India and Asia which are also issuers of securities in their local markets. Holdings in these issuers, as well as holdings in Standard Life plc, are held to a maximum of index weight in those portfolios managed to a relevant benchmark. This process is overseen by the Investment Governance Team (please see Item #13).

Other conflicts – Credit / Counterparty Risk:

SLI conducts an independent analysis of the credit risk of the banks with which it trades for client accounts (including derivative instruments where margin may be held at the bank.) A conflict may arise where affiliates of the bank may distribute funds sponsored by SLI, or where SLI may seek to compensate the bank for positive analyst reporting for Standard Life plc (LSE ticker: SL). The credit ratings are conducted by the portfolio management team without input from, or visibility of, the distribution teams. Further, the ratings determined by the Credit Committee are presented and approved by the Risk and Exposures Committee.

Other conflicts – Litigation:

SLI could invoke legal proceedings against companies and their advisors that we have holdings in, who are SLI clients or in which SLI employees have interests in or with whom they are associated.

SLI may choose not to pursue litigation where it would be appropriate, because we have other business relationships that could be harmed by pursuing litigation.

Conduct of all litigation is managed by Standard Life Legal and subject to appropriate governance.

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Other conflicts – Expenses:

SLI has an incentive to cause the U.S. private funds and non-U.S. private funds to pay expenses that SLI would typically have to pay. Furthermore, SLI may be conflicted in the choice of service providers due to other commercial incentives i.e. overpaying certain service providers to reward for other commercial businesses. There are various controls and processes in place to ensure expenses are paid and suppliers are chosen properly. The controls include:

- All expenses are adequately outlined in fund documentation,
- U.S. private funds and non-U.S. private funds go through independent audits,
- Expenses are reviewed by the Risk & Compliance Team,
- Suppliers are chosen through the procurement process which is separate from the other SLI functions.

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Item #12: Brokerage Practices

The Trade Management Oversight Committee ("TMOC") exists to provide a single body with the authority and breadth of expertise, experience and priorities to ensure SLI meets its obligation to treat customers fairly. TMOC has responsibility for the development of trading policies and procedures, oversight, documents review and escalation of breaches in procedures.

12A. Broker Selection

Equity

Unless otherwise agreed with the client, the selection of brokers or dealers to be used and the commissions paid is left to our discretion. Our fiduciary duty to our clients requires that we seek best execution when trading client assets. We take the position that best execution can be defined as the execution whose cost (both execution and research provided) represents the highest value to the client. Consideration of the value received enables SLI(USA) to determine whether the compensation to brokers is reasonable. We consider the following factors when determining the value gained through execution including: speed of execution, anonymity, information on current market conditions, willingness to provide capital, responsiveness, research provided, implementation costs, and access to trading opportunities.

Traders monitor the quality of execution through both quantitative and qualitative metrics. Performance is captured through the use of broker report cards. The performance of brokers is communicated to them on a semi-annual basis in order to develop more effective relationships.

Please see Item #11 – Other Conflicts above for discussion of conflicts related generally to the investment process, including the allocation of brokerage.

Fixed Income

The unique challenges of trading in the fixed income markets including, but not limited to, the lack of transparency and "imbedded" commissions, make the determination of best execution more subjective than with other instruments (e.g. equities).

The platforms we use provide win ratio statistics to substantiate broker rankings in smaller trades. For larger trades, portfolio managers will rely on more subjective factors and an ongoing assessment of the quality of the dealing relationship with that counter-party. Determining factors include: the ease with which the trader deals with non-standard size (extra spread charge), willingness to accept 'risk' from our business, how they react to 'difficult' market circumstances in quoting a price, and general willingness to engage with us in reasonable negotiation over business. An ongoing perception of all of these qualitative factors will determine how a broker is regarded.

1. Research through Soft Dollars

Consistent with our fiduciary duty, commissions paid to a broker in the trading of client assets may be higher than what might be charged by other brokers. Specifically, commissions may be greater than an "execution only" price when we reasonably determine that the amount of the commission was reasonable in relation to the research and brokerage services provided, viewed either in terms of the particular transaction or our overall responsibilities with respect to discretionary accounts.

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Portfolio managers conduct research votes on a semi-annual basis where the rationale for payments to providers is vetted and memorialized. The amount paid for research will depend, in the aggregate, on factors which include overall trading volumes. However, payments are capped and will not exceed the research budget pre-set by the Research Oversight Committee. The Research Oversight Committee (ROC) has been put in place to provide a single body of market practitioners with the authority, breadth of expertise and experience to ensure SLI has an appropriate level of oversight over its use of dealing commission for research across all affected functions. All services received through client commissions, or soft dollars, are consistent with the safe harbor created in Section 28(e) of the Securities Exchange Act.

We consider the value of the research received versus the cost of such research and services in the aggregate for all clients. That is, the research purchased through execution by one client or a group of clients may benefit those clients in particular, or other clients or groups.

We use soft dollars (also referred to as research credits) exclusively for the procurement of investment research. Such research may be provided by the broker with which we trade (i.e. proprietary research), or we may direct the executing broker to compensate another provider for its research from the available soft dollars (i.e. third party research).

Due to regulatory or self-imposed restrictions, certain of our clients may not allow commissions to be used other than for execution only. These restrictions may apply to some, or all, of the client's trades. These clients could still reasonably be expected to benefit from the research paid for by other clients' commissions. To the extent possible, we will make efforts to limit the implementation of such restrictions.

The receipt of research through the use of client commissions represents a potential conflict. That is, we receive research without having to pay for it directly. Therefore, we may opt to choose a broker based on the provision of soft dollar credits rather than execution-related factors alone. This conflict is controlled through written policies which create a distinction between the duties of (a) traders to seek best execution and (b) portfolio managers who independently judge the value of research received.

SLI(USA) may seek to increase research allocations to a broker to compensate the broker for sales of SLI Funds or in return for favourable research reports of our parent company, Standard Life plc. The allocation of research, and the determination of fair value for the research received, is overseen by the Research Oversight Committee.

Please see Item #11 – Other Conflicts above for discussion of conflicts related generally to the investment process, including the allocation of research commissions.

2. Brokerage for Client Referrals

Neither SLI(USA) nor any of its affiliates or employees receive client referrals from a broker-dealer or third party which could cause a conflict, or the appearance thereof, in selecting brokers for client trades.

Please see Item #11 – Other Conflicts above for discussion of conflicts related generally to the investment process, including the monitoring of U.K. distribution partners.

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3. Directed Brokerage

We may permit, in limited circumstances, client directed brokerage. We maintain that directed brokerage may limit our ability to seek best execution. This is because directed brokerage may cause a client to not participate in the aggregation of other client orders. Such aggregation may offer those participating clients lower transaction costs or superior prices. In addition, clients whose trades are not aggregated with the orders of other client accounts may suffer adverse market impacts from the execution of the other orders.

12B. Order Aggregation/Allocation

Consistent with our fiduciary duty, we will aggregate orders among client accounts to the extent possible. Aggregation of orders is generally seen as favorable to clients over time as it facilitates a comprehensive order strategy by the traders in the marketplace. Such a strategy is intended to minimize the imbedded impacts of trading (e.g. market price impacts) and control the “leakage” of trade intentions outside of SLI(USA). However, we make no warranty that trade aggregation would prove advantageous to any particular client in a specific circumstance.

Deviations from this Order Execution Policy are allowed when, in the prudent judgment of the portfolio manager, such allocation is in the best interest of our client(s).

Deviations from this policy will also arise when client-imposed or regulatory restrictions exist which would make aggregation impossible. We believe that, over time, aggregation provides the benefits discussed above, and so accounts outside of allocations may not enjoy such benefits. In all trading we owe our clients a fiduciary duty and will make all reasonable efforts to ensure that no client is systemically disadvantaged.

As discussed in Items 5 and 6, SLI is incentive to provide preferential treatment to certain accounts over others. These clients include those that pay higher AUM, affiliates of SLI, have significant employee or SLAL investment, pay performance fees to SLI, and clients with which SLI has a commercial relationship.

SLI(USA) have deployed the Investment Governance Team, a dedicated group of professionals responsible for the oversight of investment management. The Investment Governance Team reviews portfolios for alignment with client-specific and regulatory restrictions, performance dispersion, as well as adherence to our own guidelines for prudent investment management. The Head of Investment Governance serves as Chairman of the Risk and Exposures Committee, which, along with representatives of Risk and Compliance, senior management, investment governance, the Head of centralized dealing, and the Heads of certain asset classes, reviews portfolio performance, tracking, and dispersion.

Equity

When there are insufficient shares to give every account in the order a deminimus amount (using the exchange rate from the prior night’s close), we will allocate a deminimus amount to funds (in size order – smallest first) until all shares are allocated. Subsequent allocations will resume allocation at the next largest order.

When there are sufficient shares to give every account in the order a deminimus amount we will allocate the deminimus amount across accounts that would receive less than the deminimus amount on a straight pro-rata allocation, then pro-rates the balance across the other accounts.

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Credit

Allocations Trading may be subject to Minimum and Incremental amounts – defined within the Bond.

Filled orders will be allocated to participating accounts on a pro-rata basis, subject to rounding to the nearest minimum or incremental amount.

The trader will be guided to the nearest minimum or incremental amount by the fraction suggested from a straight pro-rata calculation, while not leaving a balance that would be below minimum size.

The Fund with the largest allocation will be adjusted for net rounding differences described above.

Identifying minimum amounts (and amount left) is a manual process performed by the trader.

Limited Offerings

Consistent with our fiduciary duty, our investment professionals will consider a multitude of factors when deciding upon appropriate allocations of limited offerings (e.g. IPO, secondary offering, or other such equity placement.) Factors to be considered include, but are not limited to, the size of the portfolio (i.e. the availability of an allocation of shares deemed to be meaningful), the strategy of the portfolio, available cash, current risk profile, and other investment opportunities available concurrently.

In the event that we are allocated fewer shares than our expression of interest, a pro-rata allocation will be made to all participating accounts (i.e. those accounts where a meaningful allocation is possible) on the basis of order size. Exceptions to pro-rata allocations may be made when, in the prudent judgment of the Head of Desk for the Asset Class, and consistent with our fiduciary duty, such allocations would be in the best interest of clients.

Other Conflict- Error Correction

Where SLI is responsible for an error that causes detriment to a client, it may have an interest in minimising its costs (and potentially negative reputational consequences) by charging this error back to the client (or to another client). The client is often unaware of the error and does not become aware unless told by the firm, which exacerbates the conflict.

Reporting of errors is a required component of SLI employment and employees receive training on this process.

Other Conflict- Portfolio Pumping and Window Dressing

SLI(CF) prohibits trading designed to increase the value of securities (sometimes referred to as portfolio pumping or window dressing). The Trade Monitoring and Oversight Committee monitors trading practices.

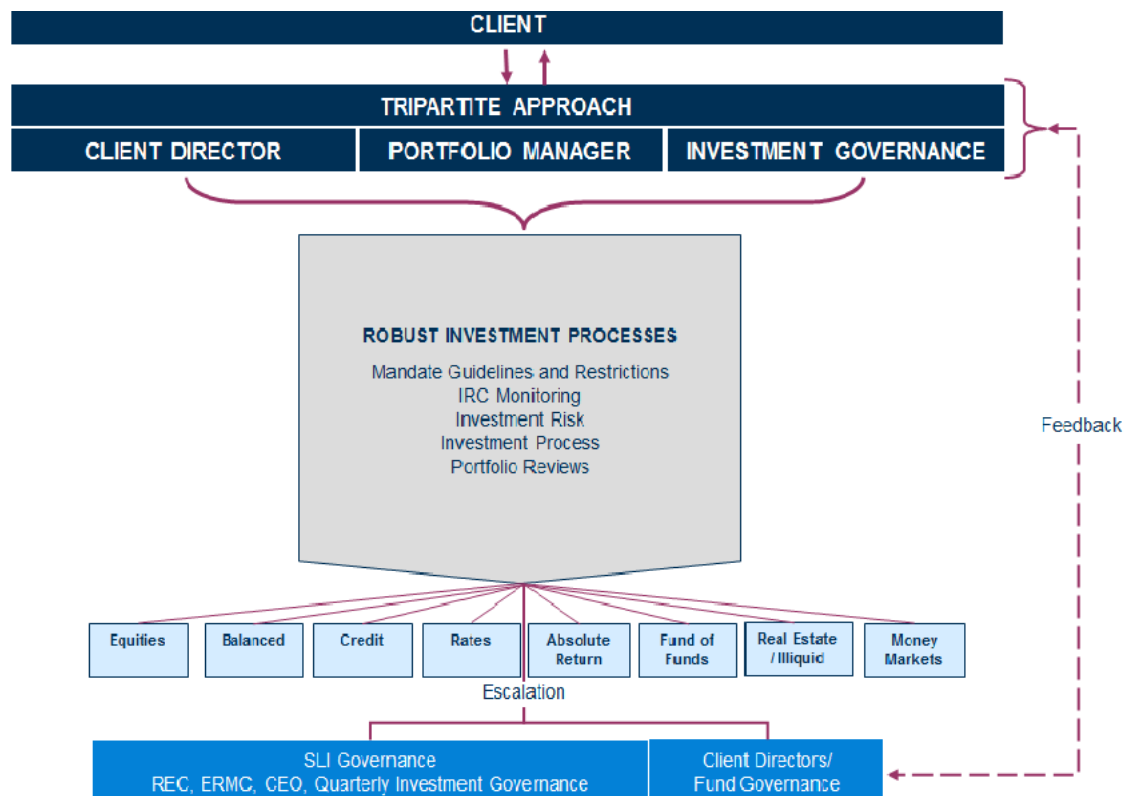
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Item #13: Review of Accounts

13A. Periodic Reviews

For every client of SLI(USA), there is an agreed upon mandate, which includes how the strategy will be managed, who will be managing it, along with investment restrictions and guidelines. This mandate is approved upon by a tripartite agreement between the Client Director/Fund Governor, the Portfolio Manager(s), and the Investment Governance Teams.

Investment Governance is responsible for oversight of all investment activities. Oversight activities include, daily monitoring of restrictions and guidelines, risk, liquidity as well as quarterly portfolio reviews. The type of risk measurement used will vary according to the nature of the client portfolio.



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The Client Director is responsible for interfacing with the client and understanding the client's specific requirements and restrictions. These restrictions may be imposed directly by the client or may be based on the regulatory environment, or SLI(USA) house guidelines. Once a client comes on board, the Client Director will meet with the Investment Governance Team and Portfolio Manager(s) to discuss the parameters of the portfolio. The Investment Governance Team is responsible for inputting the necessary restrictions and guidelines into our trading systems and monitoring each portfolio on a daily basis for adherence to all relevant restrictions and guidelines. The Portfolio Manager is responsible for the management of the portfolio in accordance with the client and regulatory restrictions, as well as our own account guidelines.

On a quarterly basis, a member of the Investment Process team (part of the Investment Governance team) carries out a portfolio review with the Head of each asset class. These discussions focus on the performance of the account, compliance with restrictions, risk information (e.g. tracking error) of the portfolios to its peers and benchmark, and any other relevant factors. Investment risk issues arising from the portfolio review are escalated and highlighted on a monthly basis to the Investment Management Committee ("IMC"), chaired by the Chief Investment Officer. Client Directors or Fund Governors are briefed of any client related issues that are identified during the portfolio review.

Conflicts of Interest:

SLI(USA) may have an incentive to favor certain client accounts over others. For example, certain clients may pay performance fees while others do not, affiliates make investments in collective funds or exist as stand alone clients (e.g. SLAL), or employees may have made investments in certain funds. The conflict could manifest itself in many ways including, but not limited to, the inappropriate allocation of investment ideas, cross trades, or assignment of investment personnel.

Certain clients of SLI(USA) or SLIL may have affiliates which are issuers of securities. In these cases there is a potential incentive to hold the securities of these issuers in client portfolios at weightings greater than would otherwise be justified.

The investment governance process, including the quarterly review, is designed to provide independent oversight of the investment process. This oversight will provide assurance that conflicts of interest have not manifested themselves in client performance dispersion, attribution (i.e. risk), or in process deviation.

Please see Item #11 – Other Conflicts for a discussion of conflicts related to our investment processes.

13B. Reviews Other than Periodic

Reviews of client accounts may be triggered by any member of the tripartite arrangement, or by other interested parties (e.g. risk and compliance). Typical factors that would trigger a review include: changes in client needs or restrictions, new regulations, client complaints, changes in portfolio management, or the significance of warnings from the trading systems.

13C. Clients Reporting

The content and timing of client reporting is driven by either the legal documents of the investment vehicle, or the needs of individual institutional investors. Typically, performance and attribution reports are provided monthly, with more expansive reports prepared semi-annually.

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Ad-hoc (e.g. e-mail or non-written) client reporting is conducted to the extent requested by the client or as SLI deems appropriate.

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Item #14: Client Referrals and Other Compensation

14A. SLI(USA) Receipt of Economic Benefit

We have no arrangement, either written or oral, for the receipt of a direct economic benefit from a non-client related to the provision of advisory services to our clients.

14B. SLI(USA) Payment for Client Referrals

Neither SLI(USA) nor its related persons directly or indirectly compensates any other party for the referral of U.S. clients.

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Item #15: Custody

SLI(USA) does not have custody of its clients' assets as defined in Rule 206(4)-2 of the Investment Adviser Act of 1940. However, all assets of SLI(USA) accounts are held at unaffiliated qualified custodians.

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Item #16: Investment Discretion

SLI(USA) has investment discretion over its clients' accounts. We will consider limitations on this discretion, any and all of which would be clearly defined within the IMA.

Prior to Accepting Discretion Over a Client's Account:

For each new account, the Investment Governance Team and Portfolio Manager(s) will agree the parameters of the account. The Investment Governance Team is responsible for inputting the necessary restrictions and guidelines into SLI's trading system and monitoring each portfolio on a daily basis for adherence to all relevant restrictions and guidelines. The Portfolio Manager is responsible for the management of the portfolio in accordance with the client and regulatory restrictions, as well as our own account guidelines.

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Item #17: Voting Client Securities

Environmental, Social and Governance (ESG) Investment Principles and Policies:

SLI(USA)'s overriding interest in corporate governance is that companies are governed in a manner consistent with the best interests of SLI(USA) clients. Our dedicated Stewardship and ESG Investment Team is an integral part of our Investment Management Team. On behalf of our clients, we seek to improve shareholder value through constructive consultation and engagement with companies and wider governance initiatives.

1. We will use reasonable endeavors to enhance long-term shareholder value through constructive engagement with companies and other corporate governance initiatives.
2. We will always seek to vote our clients' securities and engage with companies on their behalf in a manner consistent with their best interests.
3. We will use reasonable endeavors to influence the development of the corporate governance and stewardship environment.
4. We will communicate our ESG Investment Principles and Policies to clients, companies and other interested parties.
5. We will be accountable to clients within the constraints of professional confidentiality and legislative and regulatory requirements.

SLI(USA) strongly encourages corporations to adopt corporate governance principles and communicate these to shareholders. Management should adopt a process to ensure implementation and compliance is in place.

It is the policy of SLI(USA) to vote proxies for all shares under its discretion unless explicitly prohibited from doing so by the beneficial owner. However, this policy recognizes that circumstances may arise which make such votes impracticable. These include share-blocking or having shares on loan (see section below).

The ESG team is responsible for the proxy voting process in all regions. The ESG team utilizes the services of an independent third party, ISS, to facilitate voting, and provide voting analysis and proposed instructions pursuant to our established Proxy Voting Principles.

For all markets other than the US, where SLI has a significant shareholding, an independent analysis of the preferred voting action is also conducted by the ESG Investment team. If the resolution relates to a financial transaction such as a take-over, merger or spin-off then the relevant investment analyst will define the preferred voting action.

For all U.S. company meetings the analysis of meeting resolutions is undertaken by the relevant investment analysts based in our Boston office.

Conflicts of Interest:

It is incumbent on an adviser to mitigate conflicts of interest (real or perceived) when voting proxies for its clients.

Conflicts may arise when SLI(US) votes proxies on behalf of its clients. These include:

- An investee company that is also a Segregated Client. In this case SLI(USA) may be inclined to vote in a manner which protects the client relationship and related revenue to the detriment of other clients.

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- An investee company where a Director or Officer of any Standard Life plc company is also a Director of that company. In this case SLI(USA) may be inclined to vote in a manner which protects those relationships.
- An investee company where an employee of Standard Life Investments is a Director of that company. In this case SLI(USA) may be inclined to vote in a manner which protects those relationships.
- A significant distributor of our products. In this case SLI(USA) may be inclined to vote in favour of management in order to seek favourable treatment on distribution platforms or to compensate distributors for the sales of funds.
- Any other companies which may be relevant from time to time. In this case SLI(USA) may have an incentive to vote in manner which protects that relationship or which could provide economic incentive to SLI(USA) or its affiliates.

The ESG Investment team, although integral to our investment process, operates independently from those who make investment decisions and manage client relationships. Should it be necessary, in order to address conflicts of interest, the ESG Investment team have access to senior executives and non-executives who are independent of both SLI(USA) fund management and global client servicing teams. In order to ensure that conflict situations are managed appropriately the team maintains a list of sensitive companies (i.e. those companies for which there is a heightened potential or real conflict of interest). In all cases votes are cast pursuant to our published Proxy Voting Principles.

All votes cast are posted onto the Standard Life Investments Global website. Records of all voting rationales are retained.

While all votes are conducted pursuant to Proxy Voting Principles, SLI will nonetheless review, on an annual basis, the conflict of interest policy of ISS.

ERISA Plan Assets:

As a fiduciary to ERISA plan assets, SLI(USA) has an obligation of prudence and loyalty to vote proxies on issues that affect the value of plan assets. In voting proxies, SLI(USA) will consider those factors that may affect the value of plan assets and will not subordinate the interests of participants or beneficiaries to unrelated priorities. Notwithstanding the forgoing, SLI(USA) may consider shareholder action (see Advocacy below) where there is a reasonable expectation that such activities (either by the plan alone or in combination with other shareholders) are likely to enhance the economic value of the plans' investment.

Advocacy:

As a leading global investment house, we take our responsibility as an investor seriously.

We consider company policies and practices on environmental, social and governance matters as an integral part of the investment process. Where possible, we use our influence to encourage best practice standards in the management of these issues at the companies we invest in, with a view to protecting and enhancing the value of our clients' investments. Through this process of constructive engagement, we're able to contribute to the development of principles and standards of corporate governance and corporate responsibility.

We've also demonstrated our commitment to shareholder responsibility by becoming a signatory to the United Nations Principles for Responsible Investment (UNPRI), the world's leading proponent of responsible investment, and we apply its principles to our global investments. The

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UNPRI works to understand the investment implications of environmental, social and governance (ESG) factors and to support its international network of investor signatories in incorporating these factors into their investment and ownership decisions.

SLIL have also endorsed the Investor Stewardship Group's (ISG) new U.S. governance & stewardship code. The Investor Stewardship Group (ISG) is a collective of some of the largest U.S. based institutional investors and global asset managers, along with several of their international counterparts. The ISG was formed to bring all types of investors together to establish a framework of basic standards of investment stewardship and corporate governance for U.S. institutional investor and boardroom conduct. The result is the "Framework for U.S. Stewardship and Governance" comprising of a set of stewardship principles for institutional investors and corporate governance principles for U.S. listed companies.

Loaned Securities:

SLI(USA) does not currently offer a stock lending service to our customers. Certain customers separately arrange the lending of stock held in their name. Should a customer have stock out on loan it is their responsibility to make arrangements for it to be recalled should they wish voting to occur. However, in certain circumstances, where there may be a significantly sensitive and contentious vote, SLI(USA) may request the stock of a company to be recalled from loan so that it may be voted in line with our instruction.

A copy of SLI(USA)'s proxy voting guidelines and records of votes cast will be provided on request to the following:

Standard Life Investments (USA)
ATTN: Compliance Department
1 Beacon Street, 34th Floor
Boston, MA 02108

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Item #18: Financial Information

18A. Financial Information if Prepayment of Fees is Required

SLI(USA) does not require the prepayment of advisory or other fees.

18B. Financial Information if Discretionary Authority

SLI(USA) is a wholly owned subsidiary of SLIL, in turn a wholly owned subsidiary of Standard Life Investments (Holdings) which is a wholly owned subsidiary of Standard Life plc. Complete financial information for Standard Life plc is available through public filings. SLI(USA) is not aware of any financial condition which is reasonably likely to impair its ability to meet its contractual commitments to its clients.

18C. Bankruptcy

Neither SLI(USA), nor any of its affiliates, have been the subject of a bankruptcy petition.