



# PINEBRIDGE GALAXY LLC

399 Park Avenue, 4th Floor  
New York, NY 10022  
646-857-8000  
[www.pinebridge.com](http://www.pinebridge.com)  
March 29, 2019

Contents of this document include both the PineBridge Galaxy LLC Privacy Notice as well as the Brochure.

The Brochure provides information about the qualifications and business practices of PineBridge Galaxy LLC (“PBG LLC”). If you have any questions about the contents of this Brochure, please contact us at 646-857-8000. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

PBG LLC is an SEC registered investment adviser. Registration with the SEC does not imply a certain level of skill or training.

Additional information about PBG LLC is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

# Privacy Notice

## PineBridge Galaxy LLC Privacy Notice As of March 2019

PineBridge Galaxy LLC (“we” or “us”) considers privacy fundamental to maintaining the trust and confidence of our investors (“you”). We are committed to maintaining the confidentiality, integrity, and security of non-public personal information about current, prospective, and former clients and individual investors in our funds. Our precautions include the adoption of certain procedures designed to maintain and secure such persons’ non-public personal information from inappropriate disclosure to third parties. Federal regulations require us to inform individual investors of this privacy policy. This policy applies to the personal privacy of individuals; it does not apply to corporate persons and legal entities that are not natural persons.

### Information We Collect

We respect your right to personal privacy. We also know, however, that you expect us to conduct our operations in an accurate and efficient manner. To do so, we must collect and maintain non-public personal information which can include, but is not limited to, addresses, telephone numbers, dates of birth, assets, income, account information, and identification information (e.g. Social Security number, Social Insurance number, driver’s license number, or passport number) from the following sources:

- Information we receive from you on applications, subscription agreements, investment management agreements, or other forms;
- Information we receive from you through interaction with you on the telephone, in person, or through email;
- Information about your transactions with us, our affiliates, or others, including service providers that are necessary to carry on our everyday business purposes, such as to maintain accounts and process transactions; and Information from third parties with whom we deal, such as consumer-reporting agencies, to verify information we receive from you and your creditworthiness.
- Some information may be collected through PineBridge websites, which have their own privacy policies.

### How We Use Information

We will use non-public personal information for the following purposes, as applicable:

- To manage and administer your holdings in our funds and any related accounts on an ongoing basis in accordance with the contract between the you and us;
- To carry out statistical analysis and market research as the our legitimate business interest;
- To comply with legal and regulatory obligations applicable to you and us from time to time including applicable anti-money laundering and counter terrorist financing legislation.

Additionally, we may use an individual’s non-public personal information for our own direct marketing, which you may choose to opt out of upon request. The applicable contact details will be included in such communication to effectuate a desired opt out.

### Information We Disclose

Subject to legal, regulatory, or other governmental requirements, it is our policy not to disclose any of an individual’s non-public personal information to third parties without their consent, unless those parties are providing services or support to us and have agreed to keep such non-public personal information confidential. Examples of these parties include, but are not limited to, fund administrator, attorneys, and accountants.

We distribute certain non-public personal financial information, such as the schedule of investors to the fund agreement and capital account information, to all investors in each specific fund, to any regulatory authority having jurisdiction over us or any of our funds; or in connection with any litigation or other dispute or otherwise as necessary or appropriate to enforce the terms of our agreements with you or investigate, defend or assert legal rights.

### **Protecting Your Information**

We maintain physical, electronic, and procedural safeguards consistent with industry and federal standards designed to safeguard your non-public personal information and, which we believe, are adequate to prevent unauthorized disclosure of information. To further protect non-public personal information, we restrict access to such information to only employees who need the information in order to provide products or services to you and have been trained as to the proper handling of such information.

These, or comparable safeguards are utilized when providing non-public personal information to a third party. Any party receiving such information are bound to use it only for the services required and as allowed by applicable law or regulation, and is not permitted to share or use the information for any other purpose. If you decide to close your account(s) or become an inactive investor, we will continue to adhere to the privacy policies and practices as described in this Privacy Notice or as otherwise prescribed by law or regulation.

### **Accuracy and Correction of Information**

We take steps to ensure that information is current and accurate by updating our records as needed. From time to time and only when necessary, we may request confirmation of information that reasonably appears to be inaccurate or out dated.

Individuals, including current, former and prospective clients and investors, may exercise rights under applicable law to access personal information held by us in order to rectify or delete any such information that is factually incorrect, incomplete or irrelevant for the purpose for which it is processed, and they may also raise any concerns as to the use or disclosure of their personal information. Any changes or corrections to personal information must be made in writing and sent to our Privacy Officer at [privacyofficer@pinebridge.com](mailto:privacyofficer@pinebridge.com). All lawful requests to make corrections or changes to an individual's personal data will be made as soon as practicable, unless otherwise prohibited by law or regulation. If we are unable or otherwise prohibited from adhering to a request to change or correct an individual's personal data, such request will be annotated in our records.

### **Withdrawal of Consent**

Individuals, including current, former and prospective clients and investors, may exercise rights under applicable law to withdraw their consent for the collection, use or disclosure of non-public personal information by providing reasonable written notice to our Privacy Officer at [privacyofficer@pinebridge.com](mailto:privacyofficer@pinebridge.com). Upon lawful request, we shall inform the individual of the likely consequences of the withdrawal of consent and will cease to collect, use or disclose the non-public personal information unless otherwise permitted or required by applicable laws and regulations.

### **Cross Border Disclosure**

In order to use and disclose the non-public personal information, such information may be transferred internationally, including from the European Economic Area, to the U.S. and other countries which the European Union has deemed do not provide "adequate" protection for personal information. During such transfers, we will apply the same standards of privacy protection as set out in this privacy policy regardless of the international transfer or processing of personal information. If such transfer occurs with respect to the non-public personal information relating to an individual residing in the European Union, we are required to ensure that processing of such personal data is in compliance with the General Data Protection Regulation (Regulation (EU) 2016/679) and, in particular, that appropriate measures are in place such as

entering into Model Contractual Clauses (as published by the European Commission) or ensuring that the recipient is Privacy Shield certified, if appropriate.

If, at any time in the future, it is necessary to disclose any investor's personal information in a way that is inconsistent with this policy, we will give such investor written notice of the change and, where required under applicable law, obtain consent to such change.

.

## Item 2 - Material Changes

### Material Changes since the Last Update

Below is a list of material changes PBG LLC has made to this Brochure since its last annual update on March 30, 2018. Because this section of the Brochure addresses only those material changes that have been incorporated since its last annual update, and because other amendments were made to this Brochure that are not discussed in this summary, please read the Brochure in its entirety.

- There have been no material changes to this Brochure since the last annual update on March 30, 2018.

## Item 3 - Table of Contents

Item 1 – Cover Page	
Item 2 - Material Changes .....	4
Item 3 - Table of Contents .....	5
Item 4 - Advisory Business .....	7
Item 5 - Fees and Compensation.....	9
Item 6 - Performance-Based Fees and Side-By-Side Management .....	13
Item 7 - Types of Clients .....	16
Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss .....	17
Item 9 - Disciplinary Information.....	23
Item 10 - Other Financial Industry Activities and Affiliations .....	24
Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	26
Item 12 - Brokerage Practices .....	28
Item 13 - Review of Accounts.....	31
Item 14 - Client Referrals and Other Compensation .....	32
Item 15 - Custody.....	33
Item 16 - Investment Discretion .....	34
Item 17 - Voting Client Securities .....	35
Item 18 - Financial Information.....	36
Item 19 - Requirements for State-Registered Advisers.....	37

## Item 4 - Advisory Business

### Firm Description

PineBridge Galaxy LLC is affiliated with the PineBridge Investments group of companies (“PineBridge Investments”) and currently contracts with PineBridge Investments for certain administrative and sub-advisory services.

PineBridge Investments is a multi-product investment management business with an extensive platform of listed equity, fixed income, and alternative investment capabilities across multiple global markets. PineBridge Investments has more than 700 professionals in 18 countries. PineBridge Investments is the trade name given to the global asset management business of PineBridge Investments, LP, which is a majority-owned subsidiary of Pacific Century Group (“PCG”), an Asia-based private investment group.

PineBridge Galaxy LLC (“PBG LLC”, the “Firm” or “Collateral Manager”) is an investment adviser and will perform investment management functions, including, without limitation, directing the investment and reinvestment of Collateral Loan Obligations (each, a “CLO”) and will hold, manage and dispose of investments in accordance with the criteria set forth in the respective investment management agreements and offering documents.

### Principal Owners

PBG LLC is a Delaware limited liability company that is a wholly owned subsidiary of PineBridge Investments LLC, also a Delaware limited liability company. PineBridge Investments LLC is a wholly owned subsidiary of PineBridge Holdings US LLC, which is a wholly owned subsidiary of PineBridge Investments, L.P. (“PILP”), a Cayman Islands limited partnership. The general partner of PILP is Pacific Century Investment Holdings (Cayman Islands), L.P. (“PCIHL”). PCIHL is wholly owned by Pacific Century Investment Holdings No. 1 Limited (“PCIH No. 1”). PCIH No. 1 is wholly owned by ChiltonLink Limited, which, in turn, is wholly owned by Richard Li.

### Types of Advisory Services

PBG LLC is an investment adviser focusing primarily on CLOs and may also engage in the management of separate accounts and funds, which may hold a range of fixed income securities including corporate debt securities, leveraged loans, high yield, and investment grade debt. The Firm may also invest in any other loans, bonds, notes, stocks, other securities and other financial investments selected by the investment committee for its respective clients. PBG LLC also expects to acquire retained securities (to meet the US and/or European risk retention regulations) in certain CLO transactions managed by PBG LLC and certain other financial assets.

### Tailored Relationships

PBG LLC tailors advisory services to the individual needs of clients and aims to deliver consistent, long-term results for clients through a robust global investment platform. PBG LLC strives to collaborate with clients and leverage the platform of investment capabilities to develop customized solutions, and it has the flexibility to create investment solutions to meet many diverse client needs.

Clients may impose restrictions on investing in certain securities or types of securities over their portfolios. The Firm's portfolio managers are responsible for following the investment guidelines for each client as defined in its respective investment management agreement ("IMA") and adhering to all terms as specified in each respective collateral management agreement ("CMA"). The Firm's Compliance Department ("Compliance"), along with senior management, has developed a supervisory structure to monitor and provide guidance to its investment professionals.

## **Affiliates**

PBG LLC may use the services of appropriate personnel of one or more of its affiliates for research and analysis; operations support; data systems; trading; legal and compliance support; accounting, payroll, tax, and budgeting; administrative services, including human resources support; corporate, marketing and public relations; information and technology services, infrastructure and support; corporate services support, including facilities; risk management and internal audit; investment advice; client servicing; and/or any other services reasonably requested and agreed to by the affiliates, except to the extent that such activity is restricted by the client in or pursuant to its IMA, or is inconsistent with applicable law. Arrangements among affiliates may take the form of a formal sub-advisory agreement, staff and services agreement or a participating affiliate agreement to make the Firm's global capabilities available to PBG LLC. In September 2016, PBG LLC entered into Subadvisory and Staff and Services agreements with its affiliate, PineBridge Investments LLC.

## **Wrap Fee Programs**

PBG LLC does not participate in wrap fee programs.

## **Client Assets**

As of December 31, 2018 (rounded to the nearest \$1.00):

Discretionary: \$ 2,216,056,028

Non-Discretionary: \$0

Total: \$ 2,216,056,028



## Item 5 - Fees and Compensation

### Description

PBG LLC's investment advisory fees may be negotiable and are typically based upon a percentage of the total assets managed for the client by PBG LLC. Fee arrangements vary by client, and are based on a number of different factors that may include investment mandate, services performed, account size, and account relationship. Fees may vary depending on the investment vehicle and structure. For example, fees charged for the management and administration of pooled investment vehicles tend to be higher than for separately managed accounts. The specific manner in which fees are charged by PBG LLC is usually established in a client's written agreement with the Firm or is set forth in fund offering documentation. The percentages upon which annual basic fees are based may vary, according to the client's investment objectives, the extent of the services desired, the types of assets to be managed, and other various competitive factors.

General fee structures, including those noted in the fee schedule below may be modified for any reason, such as where a new account is expected to grow rapidly, where a relationship already exists with a current client, or where the client retains PBG LLC or its affiliates to provide services with respect to multiple investment mandates.

The differing levels of basic fees among the various categories indicated in the fee schedule below take into account such factors as the degree of investment management activity, supervision required, the nature of the discretionary or non-discretionary service provided, and the types of investment guidelines and restrictions imposed upon the management of the accounts. Depending on the share-class, the fees charged for certain pooled investment vehicles may be higher than those stated below and are specified in each fund's respective offering documentation.

In addition to the foregoing, there may be specialized investment strategies with individualized fee arrangements in place, as well as historical fee schedules with long-standing clients that may differ from those applicable to new client relationships. PBG LLC may use its discretionary authority to cause clients to invest in other pooled investment products. In connection with these underlying investments, clients may be charged management and other fees in addition to those defined in their investment management agreements.

The below fee schedule is for strategies managed by the Firm. Unless stated otherwise, management fees stated in this section refer to fees determined on a per annum basis and relate to a percentage of assets under management for the specific portfolio.

Fees and expenses applicable to CLOs advised by PineBridge ("CLOs"), are set forth in the applicable CLO's Offering Memorandum, subscription agreement and/or other governing document.

### FEE SCHEDULE

## ***Bank Loan Strategies***

Fixed income programs encompass management of portfolios of debt obligations of non-investment grade or non-rated corporations or other entities encompassing a narrow or broad range of credit instruments in either or both emerging and developed markets. Fees are generally charged as a fixed percentage ranging from 0.35% to 0.50% of assets under management.

## ***Collateralized Loan Obligations***

PBG LLC may serve as collateral manager for several Collateralized Loan Obligations. The fee structure for CLOs generally provides for a Senior Management Fee of 0.15% to 0.30% and a Subordinated Management Fee of 0.20% to 0.30%; each based on the aggregate principal amount of investments. The Senior Management Fee will be paid prior to any payments made to CLO noteholders. The Subordinated Management Fee will be paid only from interest proceeds remaining after payments of interest of the senior notes of the CLO and from principal remaining after payment in full of the senior notes. The collateral manager may also receive an incentive fee, but this is subject to the performance of the collateral.

## **FEE BILLING**

The Firm's management fees are generally billed quarterly, monthly, or semi-annually. Fees for fixed income products and related strategies are generally calculated either (i) in arrears based on the average asset balance of the portfolio or (ii) in arrears based on the asset balance of the managed portfolio on the last day of the previous period. Fees for alternative investment products and strategies are generally determined based on committed capital, invested capital, or net asset value, as defined in the offering materials or other governing documents.

## **OTHER FEES**

PBG LLC's fees are exclusive of any brokerage commissions, transaction fees, and other related costs and expenses incurred by the client account. Clients may incur certain charges imposed by custodians, brokers, and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, interest expenses, other governmental charges, transfer and registration fees associated with products or services that may be necessary or incidental to such investments or accounts, and other fees and taxes on brokerage accounts and securities transactions. Performance fees may also be charged on some accounts. (Refer to the Performance-Based Fees and Side-By-Side Management section and Brokerage Practices section within this Brochure for additional details.)

## **COMMON TYPES OF EXPENSES**

CLOs may incur administrative fees, legal fees, audit fees, sales expenses, tax preparation expenses, organizational expenses, investment expenses, diligence fees, or other fees and expenses as may be disclosed in the relevant offering materials or other governing documents. In addition, each CLO may bear or reimburse PBG LLC for its allocable share of the expenses associated with (i) any insurance policies obtained by PBG LLC in respect of the relevant CLOs or the activities of PBG LLC and its affiliates associated therewith, and any indemnified parties (as applicable and, including without limitation PBG LLC, its affiliates and members of the investment teams) from liabilities to third parties in connection with the relevant CLO's investment and other activities and (ii) the participation of internal counsel to PBG LLC in the negotiation and preparation of PBG LLC's management agreement with the relevant CLO and all legal matters relating to the management of the relevant CLO.

## **Internal Counsel Costs Allocated to Collateralized Loan Obligations ("CLOs")**

PBG LLC may, in certain instances, allocate to PBG LLC-sponsored CLOs amounts determined in its reasonable discretion to constitute the allocable cost of the participation of internal counsel to PBG LLC in the negotiation and preparation of PBG LLC's collateral management agreement with the CLO's issuer and all matters incidental thereto.

#### FEES PAID IN ADVANCE

In the event that any advisory agreement provides for a fee to be payable to PBG LLC in advance, a pro rata refund will be made in the event of early cancellation of the advisory agreement by either the Firm or the client. In no event will fees be payable six months or more in advance. Clients in separate accounts are generally permitted to terminate contracts with PBG LLC upon written notice within a reasonable time (normally at least 30 days) prior to the effective date of such termination.

#### ADDITIONAL COMPENSATION

Sales personnel accept incentive sales payments from either PBG LLC or an affiliated broker-dealer for the sale of securities or other investment products based on a percentage of funds raised, as some PBG LLC employees are also registered representatives of the affiliated broker-dealer (PineBridge Securities LLC). The incentive sales payment is paid from the applicable management fee, not an additional separate fee. Such management fees are generally based on a percentage of assets.

This practice presents a conflict of interest that gives the Firm and/or supervised persons an incentive to recommend investment products based on the compensation received, rather than on a client's needs. The Firm has adopted a Code of Ethics and Compliance Manual to address the ethical conduct of employees, including sales persons. The Code of Ethics requires, among other things, that employees place the interests of the clients first. As fiduciaries, employees must avoid placing personal interests ahead of the interests of clients.

A copy of this Brochure, including the disclosure of the potential conflict description above, is provided to all investors prior to becoming a client of PBG LLC.

#### ALLOCATION OF EXPENSES

PBG LLC and its affiliates may from time to time incur fees, costs and expenses on behalf of more than one client. To the extent such fees, costs and expenses are incurred for the account or benefit of more than one client, (i) if such amounts relate to a specific, consummated investment, each client will typically bear an allocable portion of any such amounts pro rata based on the size of its investment in the entity to which the expense relates (or such other non-pro rata manner as PBG LLC determines, in its sole discretion, to be fair and reasonable), and (ii) if such amounts do not relate to a specific investment, each client will typically bear an allocable portion of any such amounts based on such criteria as PBG LLC determines, in its sole discretion, to be fair and reasonable (in the case of (i) and (ii), subject to the terms of such client's applicable constituent documents). PBG LLC seeks to allocate such fees, costs and expenses on a fair and reasonable basis. Notwithstanding the foregoing, PBG LLC may in the future develop policies and procedures to address the allocation of expenses (including with respect to insurance premiums) that differ from its current practice.

PBG LLC or its affiliates may from time to time enter into arrangements with service providers that provide for fee discounts for services rendered to PBG LLC and its affiliates. For example, certain law firms retained by PBG LLC or one or more of its affiliates have in the past offered fee discounts for non-investment transaction legal services, such as legal advice in connection with PBG LLC operational, compliance and related matters. While PBG LLC or its affiliates will seek to provide the benefit of discounts that relate specifically to services provided to a client, there can be no assurance that any such discounts will be

offered, and PBG LLC has no obligation to require any such discounts to be offered, to any client or any portfolio company.

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

PBG LLC accepts performance-based fees – that is, fees based on a share of capital gains on or capital appreciation of the assets of a client account. PBG LLC manages both accounts that are charged a performance-based fee and accounts that are charged an asset-based fee.

The Firm recognizes that it may be subject to a conflict of interest with respect to allocations of investment opportunities and transactions among its clients due to its acceptance of both asset-based fees and performance-based fees. The conflict of interest that arises with respect to performance-based fees and the side-by-side management of these accounts with those that do not charge a performance fee is the potential for transactions to be allocated in favor of those accounts that charge a performance-based fee. To mitigate these conflicts, PBG LLC's policies and procedures provide that investment decisions must be made in accordance with the fiduciary duties owed to such accounts and without consideration of the Firm's economic, investment or other financial interests. To meet its fiduciary obligations, the Firm seeks to avoid, among other things, investment or trading practices that systematically over time advantage or disadvantage certain client portfolios. Accordingly, PBG LLC has established and adopted a policy seeking fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time. It is the Firm's policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent, including initial public offerings ("IPOs") and other investment opportunities that might have a limited supply, among its clients on a fair and equitable basis over time.

There exists a potential conflict where carried interest or performance-based fee allocations with respect to clients may create an incentive for PBG LLC to make more speculative investments on behalf of clients than it might otherwise make, in the absence of such performance-based compensation. The carried interest or performance-based fee allocation may pose an incentive for the Firm to allocate more profitable investment opportunities to clients who are charged a higher carried interest, as PBG LLC and its affiliates have the opportunity to receive carried interest distributions based on the success of portfolio investments. Similarly, an incentive exists to make decisions regarding the timing and structure of realizing transactions that may not be in the best interest of investors.

The Firm has monitoring procedures in place to address the aforementioned conflicts of interest. PBG LLC has adopted the Trade Allocation and Aggregation Policy, which is monitored by Compliance. Any discrepancies noted by Compliance are discussed with the applicable portfolio managers and adjustments are made as necessary.

### INVESTMENT OPPORTUNITY ALLOCATION

PBG LLC will be required to offer investment opportunities to each Client in accordance with the applicable provisions of each Client's constituent documents. PBG LLC may, from time to time, be presented with investment opportunities that fall within the investment objectives of multiple Clients and, in such circumstances, PBG LLC seeks to allocate such opportunities (including any related co-investment opportunities) among such Clients in accordance with its allocation policy as in effect from time to time and in order to ensure that each Client is treated in a manner that, over time, is fair and equitable. Certain inherent conflicts of interest arise from the fact that (i) PBG LLC may provide investment management services to more than one Client and (ii) Clients may have one or more overlapping investment strategies. PBG LLC's current allocation policy provides that investment opportunities will be allocated taking into account (a) suitability, (b) available capital, (c) Client specific portfolio restrictions, (d) portfolio composition, (e) cost and (f) any other information determined to be relevant to the fair allocation of the investment opportunity to each Client, including but not limited to, the sourcing of transactions, the amount of potential follow-on investing that may be required for such investment and the other portfolio investments of such

Clients, reasons of portfolio balance, and the nature and extent of involvement in the transaction on the part of the respective teams of investment professionals for such Client.

PBG LLC will have the discretion to construct what in its business judgment constitutes an appropriate investment portfolio for each Client. As such, in determining what it believes to be an appropriate portfolio for a particular Client, PBG LLC may give consideration to factors in addition to those outlined above.

As a result, in certain circumstances investment opportunities suitable for a Client may not be presented to such client. Moreover, certain Clients may receive priority with respect to certain investment opportunities. There can be no assurance, however, that the application of the allocation policies described above will result in the allocation of a specific investment opportunity to a Client, or that a Client will participate in all investment opportunities falling within its investment objective, or that such investment opportunity may not be disproportionately allocated to one Client versus another Client.

Generally, co-investment opportunities will be allocated if PBG LLC determines that there is excess capacity in a particular investment opportunity. Please see “Co-Investments” below for further details.

**Co-Investments.** PBG LLC or its affiliates may, in their sole discretion, provide co-investment opportunities to one or more Strategic and Relationship Co-Investors (as defined below), as well as certain limited partners or other investors of any Client, PBG LLC affiliates, or others. Strategic and Relationship Co-Investors will be determined by PBG LLC or its affiliates in its sole discretion, may include any limited partner or other investor of a Client, PBG LLC’s affiliates and/or third parties, and will be persons that provide, or are expected to provide, strategic benefits in connection with sourcing or consummating the investment opportunity or following consummation of the investment, such as operational or similar strategic benefits, committed financing or lending support, certainty or expediency of closing, support in diligence or industry expertise, provision of directors, benefits to the investment in terms of regulatory or tax profile, or otherwise (each, a “Strategic and Relationship Co-Investor”). Co-investment opportunities will be offered on a deal-by-deal basis, to the extent available and appropriate, but PBG LLC and its affiliates will be under no obligation to offer any such opportunity to any limited partner or other investor of a Client, or other potential Strategic and Relationship Co-Investor. PBG LLC has provided certain senior management and investment team members with opportunities to co-invest alongside Clients and may offer similar co-investment opportunities in the future.

Co-investments are offered by PBG LLC or its affiliates to the extent that (i) the size of a particular investment opportunity exceeds the aggregate desired allocation to the Client for which the investment opportunity would be appropriate and/or (ii) there is adequate interest of prospective investors, including Strategic and Relationship Co-Investors. Co-investments may be structured through investment vehicles or similar arrangements organized to facilitate such investments for legal, tax, regulatory or other purposes.

PBG LLC will allocate co-investment opportunities among co-investors in any manner it determines to be equitable over time, taking into account those factors that it deems relevant under the circumstances, including, but not limited to: (i) whether a prospective co-investor has expressed an interest in participating in co-investment opportunities (including, for example, by written election in such prospective co-investor’s investment agreement, subscription agreement, or side letter); (ii) the character or nature of the co-investment opportunity (e.g., its size, structure, geographic location, relevant industry, tax characteristics and any contemplated minimum commitment threshold); (iii) the level of demand for participation in such co-investment opportunity; (iv) the ability of a prospective co-investor to analyze or consummate a potential co-investment opportunity on an expedited basis; (v) whether a prospective co-investor has previously declined to participate in a co-investment opportunity (and the number of times such prospective co-investor has previously declined); (vi) whether or not the prospective co-investor is willing to pay carried interest and management fees; (vii) the size of a prospective co-investor’s investment; (viii) whether the applicable provisions of the prospective co-investor’s

constituent documents or investment agreements require PBG LLC to offer such co-investment opportunity to such prospective co-investor; and (ix) as noted above, whether a prospective co-investor is also a Strategic and Relationship Co-Investor.

PBG LLC or its affiliates will be under no obligation to provide co-investment opportunities to any particular person and may offer a co-investment opportunity to one or more of the categories of co-investors described above without offering such opportunity to the other categories of co-investors. In any event, no category of co-investors described above should have any expectation of receiving a co-investment opportunity nor will any such co-investors described above be owed any duty or obligation in connection co-investment opportunities.

*Terms of Co-Investment Opportunities.* PBG LLC or its affiliates may (or may not) in their discretion: (i) charge carried interest, incentive allocation, management fees or other similar fees to co-investors; (ii) make an investment, or otherwise participate, in any vehicle formed to structure a co-investment to facilitate, among other things, receipt of such carried interest, incentive allocation, management fees or other similar fees; and (iii) collect customary fees in connection with actual or contemplated portfolio investments that are the subject of such co-investment arrangements. To the extent co-investors do not agree to or do not otherwise bear fees, costs and expenses related to unconsummated co-investments, such fees, costs and expenses may be borne by PBG LLC or its affiliates or, if consistent with their governing documents, by the relevant Clients on whose behalf PBG LLC or its affiliates evaluated and pursued such investment. Senior management and investment team members will not bear fees, costs and expenses related to unconsummated co-investments. Further, in those circumstances where such co-investors include one or more members of a portfolio company's management group, such co-investors may receive compensation arrangements relating to the investment, including incentive compensation arrangements. Finally, some of the co-investors with whom Clients may co-invest have pre-existing investments with PBG LLC, and the terms of such pre-existing investments may differ from the terms upon which such persons may co-invest with the Clients.

The terms of any co-investment will be determined by PBG LLC or its affiliates on a case-by-case basis in its sole discretion and any opportunity may be presented on an as-is basis and may therefore not be suitable for certain co-investors due to legal, tax, regulatory or similar considerations. PBG LLC or its affiliates may structure co-investments through one or more co-investment vehicles.

## Item 7 - Types of Clients

### Description

PBG LLC provides discretionary and non-discretionary investment advice to, among others, individuals, banks or thrift institutions, registered investment companies, insurance companies, pension and profit sharing plans, trusts, estates, charitable organizations, Private Funds, CLOs and other corporations and business entities.

To help fight the funding of terrorism and money laundering activities, U.S. federal law may require the Firm to obtain, verify and record information that identifies clients who open accounts, or investors that subscribe through the Firm for an interest in a Private Fund or CLO managed by the Firm. This means that PBG LLC will ask for information from the clients/investors to verify their identity in a manner consistent with applicable requirements that will allow PBG LLC to identify the clients/investors. PBG LLC may also share that information as required by applicable law or in connection with the execution of trades on behalf of clients/investors.

### Account Minimums

The minimum account size for most separate accounts is \$25 million; however, in exceptional circumstances these minimum sizes can be negotiated. There is generally a \$1 million minimum value for maintaining an account; however, this minimum may also be negotiated. In addition, the Firm offers other structures where investors may participate in investment products through commingled vehicles for smaller minimum account sizes.

Please refer to the Fees and Compensation section within this Brochure for fee schedules.

Also, please refer to Form ADV Part 1A, Schedule D, Section 7.B(1), located on the SEC's website, for additional information related to account minimums for specific Private Funds.



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

### Methods of Analysis

PBG LLC research analysts and investment personnel conduct research to formulate investment advice (for the portfolio management team) used to manage assets.

PBG LLC's security analyses include charting, fundamental, technical, and cyclical methodologies. The Firm may apply quantitative strategies to its selection of securities and construction of portfolios. The Firm's research analysts and investment personnel may use financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the SEC, and company press releases as their sources of information. PBG LLC may also use financial databases as a resource to make portfolio management decisions.

PBG LLC tailors advisory services in accordance with the particular client objective, and therefore investment strategies vary. In general, investment strategies used to implement any investment advice given to clients may include long term purchases (securities held at least one year), short term purchases (securities sold within a year), trading (securities sold within 30 days), short sales, margin transactions, and option writing, including covered options, uncovered options, spreading strategies, or other derivatives. PBG LLC may also use futures and forward foreign exchange contracts to implement its investment advice.

Investing in securities involves risk of loss that clients should be prepared to bear. The following sections, "Investment Strategies and Risks" and "Risk of Loss" describe certain of such risks.

### Investment Strategies and Risks

#### *Fixed Income and Related Strategies*

PBG LLC's fixed income strategy has a scalable platform with capacity. With a stable and experienced investment team, research-intensive independent credit analysis is conducted for the diversified product offerings. The strategies within fixed income include leveraged loans and high yield bonds, senior secured loans, second lien loans, U.S. investment grade, emerging markets and international bonds. The Firm's fixed income strategies present many risks that may result in the loss of investment value, and may include market, issuer, credit, interest or strategy risks. Strategies that include international investing present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the lesser degree of accurate public information available.

### Risk of Loss

The strategies described in the section above relate to a variety of investments, each of which can fluctuate in value. The value of portfolios PBG LLC manages may fall as well as rise, and the investor may not receive the full amount originally invested. The investment risks vary between different types of investments. For example, for investments involving exposure to a currency other than that in which the portfolio is denominated, changes in the rate of exchange may cause the value of investments, and consequently the value of the portfolio, to go up or down. In the case of a higher volatility portfolio the loss on realization or cancellation may be very high (including total loss of investment) as the value of such an investment may fall suddenly and substantially.

The following is a summary of some of the material risks associated with the strategies utilized by PBG LLC. This summary does not attempt to describe all of the risks associated with an investment in a fund, CLO or separate account advised by PBG LLC.

Further information related to relevant risks and their strategies should be reviewed in the offering memoranda and other documents provided to investors in CLOs or the IMA of each institutional separate account. Such documents are available only to current investors or prospective investors who are eligible to invest in such entities, and to advisory clients, as determined in the sole discretion of PBG LLC.

***General Economic Conditions.*** General economic conditions may significantly affect a fund's activities negatively and could cause it to incur losses.

***Delegation of Control.*** All decisions with respect to the investment and trading activities of each fund will be made by its investment manager or general partner. Investors will not take any part in the management or control of any fund. With respect to funds of funds, PBG LLC has no ability to predict or control investments that will be made by the underlying fund advisers and general partners, so profitability of investments in such funds will be dependent upon their expertise, and though PBG LLC will attempt to monitor the performance of each underlying adviser, if an adviser does not operate in accordance with its investment strategy or any guidelines, or if the information furnished thereby is not accurate, a fund may sustain losses with respect to its investment with the underlying adviser despite monitoring efforts. Further, the death, incapacity or retirement of any key personnel of any of such advisers may adversely affect investment results, and though the advisers will be subject to certain fiduciary duties, there can be no assurances against fraud, misappropriation or other misconduct by any adviser.

***Different Terms Offered.*** Certain investors may be permitted to invest on different terms than other investors, including with respect to liquidity, transparency, subscriptions and fees.

***Substantial Fees and Expenses Payable Regardless of Profits.*** Each fund will incur obligations to pay its expenses (which may include, without limitation, management fees, performance fees or allocations, transaction costs, operating, accounting, auditing, research and due diligence expenses), which are payable regardless of whether any profits are realized, and each fund of funds will also bear its proportionate share of the fees and expenses of the underlying private equity or hedge funds.

***Compliance with Employee Retirement Income Security Act ("ERISA") Restrictions.*** Certain funds may restrict transfers or purchases so that ownership of each class of equity interests by benefit plan investors will remain below 25% in order to not be treated as plan asset entities or may seek to comply with other exemptions from being treated as plan asset entities such as the venture capital operating company exemption. In the event that a redemption would cause a fund to exceed the 25% threshold, certain investors may be required to redeem so that the fund may remain below the 25% threshold. If the assets of a fund were to become "plan assets," certain investments made or to be made by the fund in the normal course of its operations might result in non-exempt prohibited transactions and might have to be rescinded.

***Tax Risks.*** With respect to each fund, the applicable tax risks will be different depending on, among other things, the strategy of the fund, the asset classes in which it invests, and the profile of the relevant investor. In addition, there may be changes in tax laws or interpretations of such tax laws adverse to a fund or its investors.

***Lack of Regulation.*** CLOs are generally not registered under the Investment Company Act of 1940 (the "Investment Company Act"), as amended, or the Securities Act of 1933, as amended. Accordingly, the CLOs will not be subject to certain regulations applicable to registered funds.

***Applicable Law and Regulatory Developments.*** Each fund must comply with various legal requirements, including requirements that may be imposed by U.S. federal securities laws and tax laws, and regulations of the jurisdiction of the relevant fund and jurisdictions in which the fund invests. Should any of those laws

or regulations change, the legal requirements to which the fund and its investors may be subject could differ materially from current requirements. Additionally, the regulatory environment for CLOs is evolving, and changes in the regulation of such funds and their investments may adversely affect the value of investments held by the funds and their ability to pursue their investment strategy.

### ***Material Risk Factors Generally Associated with Fixed Income Instruments and Related Strategies***

Set forth below is a description of some of the risks associated with investing in fixed income instruments and certain related strategies employed. Such risks are applicable to funds that invest directly in fixed income instruments and that employ the related strategies, and to funds of funds and managed accounts that allocate assets indirectly to fixed income instruments and employ the related strategies. This summary does not attempt to describe all of the risks associated with an investment in a fund, CLO or separate account advised by PBG LLC.

***Investment in Fixed Income Instruments.*** The value of fixed income securities will change in response to fluctuations in interest rates and credit quality, which may result in losses.

***Interest Rate Risk.*** Adverse interest rate developments, such as interest rate increases, instability, or even increased uncertainty, may be expected to adversely affect the debt markets and render more difficult the achievement of satisfactory returns in such markets. Additionally, during periods of falling interest rates, an obligor to a debt instrument may “call” or repay its higher interest bearing debt instrument before its maturity date, requiring a strategy to invest in new securities with lower interest rates.

***High-Yield Bonds and Leveraged Loans.*** High-yield bonds and leveraged loans generally have lower credit ratings (or no credit ratings in some cases) and are subject to greater risk of loss of principal and interest than investment-grade bonds and loans. Such instruments are generally considered to be predominantly speculative with respect to the issuer’s and borrower’s capacity to pay interest and repay principal. The highly leveraged capital structure of the issuers and borrowers in such transactions may make such bonds and loans especially vulnerable to adverse changes in economic or market conditions.

***Investment-Grade Debt.*** Investment-grade debt instruments may possess speculative characteristics and may be more sensitive to economic changes and to changes in the financial conditions of issuers.

***Credit Risk.*** Some borrowers and issuers may be unable to make the required payments on senior loans and other debt-related instruments held by a fund. Debt instruments also increase or decrease in value based on the perceived creditworthiness of issuers and borrowers. A default on an investment held by a fund could cause the fund’s value to decline.

***Investment in Loans.*** A fund investing in loans may be exposed to losses resulting from loan defaults. Additionally, a fund may be unable to sell loans at a time when it may otherwise be desirable to do so or may be able to sell them only at prices that are less than their fair market value.

***Distressed Loans.*** Distressed loans may require a substantial amount of workout negotiations and/or restructuring, which may entail, among other things, a substantial reduction in the interest rate and a substantial write-down of the principal of such distressed loans. A risk exists that, upon maturity of the restructured distressed loan, replacement “takeout” financing will not be available and several risks exist with respect to foreclosure on such loans and the related collateral, if any.

***Weak Economy Could Trigger Defaults.*** Any substantial economic slowdown could increase delinquencies, defaults and foreclosures and reduce a fund’s ability to purchase suitable debt obligations.

***Asset-Backed Securities and Mortgage-Backed Securities (ABS and MBS).*** Holders of asset-backed and mortgage-backed securities bear various risks, including prepayment risks, liquidity risks, interest rate risks, market risks, operations risks, structural risks and legal risks. Within mortgage-related securities,

there are three main categories: government guaranteed residential mortgages, non-government guaranteed residential mortgages and commercial mortgages. Government guaranteed mortgage backed securities have limited to no credit risk, however the timing of the repayment of principal on those securities is an inherent risk because the underlying mortgages are subject to prepayment risks associated with, among other things, interest rate fluctuations. While non-government guaranteed MBS and commercial MBS carry the aforementioned prepayment risks, they also carry credit risk. Credit risk is an important issue in such securities because of the significant credit risks inherent in the underlying collateral and because issuers are primarily private entities.

*Collateralized Loan Obligations (“CLOs”).* CLOs issue classes or “tranches” of debt and equity that vary in risk and yield, and may experience substantial losses due to actual defaults, decrease of market value due to collateral defaults and the erosion or disappearance of subordinate tranches, market anticipation of defaults, and investor aversion to CLO securities as a class. The risks of investing in CLOs depend largely on the type of the underlying collateral. There is no public market for interests in CLOs and such interests may be difficult to sell at an advantageous price or time.

*General Economic Conditions relating to CLOs.* Significant risks may exist as a result of uncertain general economic conditions. These risks include, among others, (i) the possibility that, on or after the closing date, the prices at which collateral obligations can be sold by the issuer will have deteriorated from their effective purchase price, (ii) the illiquidity of the notes, as there may be no secondary trading in the notes and (iii) the possibility of a decline in the market value of the notes. These risks may affect the returns on the notes to investors and the ability of investors to realize their investment in the notes prior to their stated maturity, if at all. In addition, the primary market for a number of financial products including leveraged loans may be volatile, and the level of new issuances may be uncertain and may vary based on a number of factors, including general economic conditions. As well as reducing opportunities for the issuer to purchase assets in the primary market, this may increase reinvestment or refinancing risk in respect of maturing collateral obligations. These additional risks may affect the returns on the notes to investors and could further slow, delay or reverse an economic recovery and cause a further deterioration in loan performance generally. Limitations on the amount of available credit in the market may have an adverse impact on general economic conditions that affect the performance of the collateral. A slowdown in growth or commencement of a recession would be expected to have an adverse effect on the ability of businesses to repay or refinance their existing debt. Adverse macroeconomic conditions may adversely affect the rating, performance and the realization value of the collateral. It is possible that the collateral will experience higher default rates than anticipated and that performance will suffer.

The market value and performance of the collateral obligations and the notes may be adversely impacted by current and future economic conditions, including perceptions of potential, current or future conditions, market trading imbalances or technical dislocation. To the extent that economic and business conditions fail to improve or deteriorate further, the levels of defaults and delinquencies are likely to increase and market values may decrease or not fully recover, which may adversely affect the amount of proceeds that could be obtained upon the sale of the collateral obligations and could adversely impact the ability of the issuer to make payments on the notes.

*Illiquidity in the Leveraged Finance Market.* The financial markets have experienced and may, in the future, experience substantial fluctuations in prices for leveraged loans and limited liquidity for such instruments. During periods of limited liquidity and higher price volatility, the issuer's ability to acquire or dispose of collateral obligations at a price and time that the collateral manager deems advantageous may be severely impaired. Such inability may impair the issuer's ability to dispose of investments in a timely fashion and for a fair price, as well as its ability to take advantage of market opportunities. Furthermore, some collateral obligations will have a limited trading market (or none) under any market conditions. Illiquid debt obligations may trade at a discount from comparable, more liquid investments. The impact of low liquidity on the global credit markets may adversely affect the portfolio management flexibility of the collateral manager and, ultimately, the returns on the notes to investors.

*Nature of Collateral for CLOs.* The collateral obligations will consist primarily of non-investment grade loans or interests in non-investment grade loans which are subject to liquidity, market value, credit, interest rate, reinvestment and other risks. There can be no assurance that the collateral manager will correctly evaluate the nature and magnitude of the various factors that could affect the value of and return on the collateral obligations and purchase collateral obligations that will not default and will generate high returns for the Issuer. It is anticipated that the collateral obligations generally will be subject to greater risks than investment grade corporate obligations. These risks could be exacerbated to the extent that the portfolio is concentrated in one or more particular types of collateral obligations.

Prices of the collateral obligations may be volatile and will generally fluctuate due to a variety of factors that are inherently difficult to predict, including, but not limited to, changes in interest rates, prevailing credit spreads, general economic conditions, financial market conditions, including the condition of the leveraged loan market, domestic and international economic or political events, developments or trends in any particular industry, and the financial condition of the obligors on the collateral obligations. Volatility in financial markets could adversely affect the value and performance of the collateral obligations. Additionally, loans and interests in loans have significant liquidity and market value risks since they are not generally traded in organized exchange markets but are traded by banks and other institutional investors engaged in loan syndications. Because loans are privately syndicated and loan agreements are privately negotiated and customized, loans are not purchased or sold as easily as publicly traded securities. In addition, historically the trading volume in the loan market has been small relative to the high-yield debt securities market.

*Lower Credit Quality Financial Instruments.* Lower rated and unrated instruments in which a portfolio may invest have large uncertainties or major risk exposures to adverse conditions, and are considered to be predominantly speculative. Generally, such instruments involve greater volatility of price and greater risk of loss of income and principal.

*Applicable Law and Regulatory Developments.* Each account must comply with various legal requirements, including requirements that may be imposed by U.S. federal securities laws and tax laws, and regulations of the jurisdiction of the relevant account and jurisdictions in which the account invests. Should any of those laws or regulations change, the legal requirements to which the account and its investors may be subject could differ materially from current requirements. Regulatory or legislative provisions applicable to certain investors, including the Volcker Rule, may have the effect of limiting or restricting their ability to hold or acquire asset-backed securities, which in turn may adversely affect the ability of investors in the notes who are not subject to those provisions to resell their notes in the secondary market. Various agencies and regulatory bodies of the U.S. federal government have taken or are considering taking actions to address the financial crisis. The regulatory environment for CLOs is evolving, and changes in the regulation of such accounts and their investments may adversely affect the value of investments held by the accounts and their ability to pursue their investment strategy.

*Emerging and Less Developed Markets.* In some non-U.S. countries, there is the possibility of expropriation, nationalization or confiscatory taxation, limitations on the convertibility of currency or the removal of property or other assets of the issuer, political, economic or social instability or adverse diplomatic developments, each of which could have an adverse effect on the issuer's investments in such foreign countries (which may make it more difficult to pay U.S. Dollar-denominated obligations such as the collateral obligations). The economies of individual non-U.S. countries also may differ favorably or unfavorably from the U.S. economy in such respects as growth of gross domestic product, rate of inflation, volatility of currency exchange rates, depreciation, capital reinvestment, resources self-sufficiency and balance of payments position.

*Effect of Socially Responsible Investment Principles.* To the extent a strategy is socially responsible, investment principles may prevent it from making or disposing of an investment it otherwise would have made. Such strategy may earn less profit than it otherwise would have earned had it not been for such principles.

## ***Securities Valuation***

The Firm's advisory fees normally are calculated based upon the value of clients' portfolios. For the most part, pricing for securities held in client portfolios is provided by independent third-party pricing vendors. However, the Firm has the ability to determine the value of portfolio holdings that are difficult to price, and in such cases has an incentive to select the highest potential price for those securities, although a lower price would also be reasonable. To mitigate the potential conflict, the Firm has created a Global Valuation Committee to oversee the valuation decisions made for the securities held by the Firm's sponsored funds and client portfolios. The Global Valuation Committee includes members from the Firm's control groups such as Legal, Compliance, and Risk Management.

## ***Risks Related to Technology Security and Business Continuity***

The Firm's investment activities rely in part on various technology systems, including proprietary and their party software. To operate effectively, some of these systems depend upon a large volume of data from the Firm as well as third party sources. The Firm has devoted resources to develop and maintain its own systems. It also has undertaken efforts to evaluate and/or monitor third parties that provide systems and data. Despite these efforts, there is a risk that system interruptions or inaccurate data may impact the Firm and its clients. The Firm's response to such incidents are designed to remediate any issues on a timely basis, although the details of the Firm's response depend upon case by case circumstances.

As part of its business, the Firm also processes, stores and transmits electronic information, including information relating to the transactions of clients and, in some cases, personally identifiable information of its clients. The Firm has procedures and systems in place designed to protect such information and prevent data loss and security breaches. Similarly, the Firm's service providers may process, store and transmit such information. Each service provider has represented to the Firm that it has procedures and systems in place designed to protect such information and prevent data loss and security breaches. However, such measures cannot provide absolute security. The techniques use to obtain unauthorized access to data, disable or degrade service, or sabotage systems change frequently and may be difficult to detect for long periods of time. Hardware and software acquired from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise the Firm's information security.

The loss or improper access, use or disclosure of the Firm's or the Firm's clients' proprietary information may cause the Firm or its clients to suffer, among other things, financial loss, disruption of its business, liability to third parties, regulatory intervention or reputational damage.

Similar adverse consequences could result from cybersecurity breaches affecting issuers of securities in which the Firm invests on behalf of its clients; counterparties with which a client engages in transactions; governmental and other regulatory authorities; exchange and other financial market operators, banks, brokers, dealers, insurance companies, and other financial institutions; and other parties. In addition, substantial costs may be incurred by these entities in order to prevent any cybersecurity breaches in the future.

The Firm maintains a business continuity plan designed to maintain critical functions in the event of a partial or total building outage affecting its offices or a technical problem affecting applications, data centers or networks. Nevertheless, the Firm's ability to conduct business may be curtailed by a disruption in the infrastructure that supports its operations and the regions in which the Firm's offices are located.

## Item 9 - Disciplinary Information

PBG LLC has no material or disciplinary events to disclose.



## Item 10 - Other Financial Industry Activities and Affiliations

### **Broker-dealer or Registered Representative**

PineBridge Securities LLC, an affiliate of PBG LLC, is a Delaware limited liability company and is registered as a broker-dealer. Certain of the Firm's employees are Registered Representatives of PineBridge Securities LLC.

### **Futures Commission Merchant, Commodity Pool Operator, Commodity Trading Adviser or Associated Person**

PineBridge Investments LLC ("PBI LLC"), an affiliate of PBG LLC, is registered as a commodity pool operator and commodity trading adviser under the Commodity Exchange Act.

### **Material Relationships or Arrangements with Financial Industry**

As mentioned in the "Advisory Business" section of this Brochure, PineBridge Investments is a group of companies owned by PCG. PCG is a private investment group, which has interests in infrastructure, property and other investments mainly in the Asia Pacific region.

PineBridge Securities LLC is a limited purpose broker-dealer registered under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and a Financial Industry Regulatory Authority ("FINRA") member, and serves as placement agent for certain private investment funds sponsored and/or managed by PBG LLC and other third-party advisors.

### ***Participating Affiliate Relationships***

PBG LLC may utilize the advisory and/or management services of certain of its foreign affiliates ("PineBridge Affiliates") to provide advisory and/or management services to clients with respect to foreign securities and markets. PBI LLC currently utilizes (or may utilize) the services of the following PineBridge Affiliates:

- PineBridge Investments Europe Ltd.
- PineBridge Investments Asia Ltd.
- PineBridge Investments Japan Co., Ltd.
- PineBridge Investments Canada Inc.
- PineBridge Investments Latin America SpA
- PineBridge Galaxy LLC
- PineBridge Investments Ireland Limited
- PineBridge Investments Hong Kong Limited
- PineBridge Investments Singapore Limited
- PineBridge Investments Management Taiwan Limited
- PineBridge de Mexico S. de R.L de C.V.
- PineBridge Investments Asset Management Company (India) Private Limited

Certain of the above PineBridge Affiliates are "Participating Affiliates" of PBG LLC (as that term has been used by the Division of Investment Management of the SEC) in that they provide investment advice through and under the supervision and control of PBI LLC to its clients.



## **Outsourcing to Third Parties**

From time to time, PBG LLC may outsource to third parties certain processes or functions related to a variety of services provided to its clients in administrative or other capacities. Such outsourcing may give rise to conflicts of interest. In order to mitigate such conflicts, PBG LLC has adopted a Third Party Oversight Policy which requires PBG LLC to oversee certain activities performed by third parties that relate to PBG LLC's investment adviser business. The Third Party Oversight Policy requires due diligence to be performed prior to engaging with the third party, as well as ongoing due diligence on a risk assessed basis after contracting with a third party.

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

The Firm has adopted a Code of Ethics (the “Code”), which applies to all employees (“Access Persons,” as defined in the Code), that is designed to help detect and prevent conflicts of interest and fraudulent practices. In accordance with Rule 204A-1 under the Advisers Act, the Code: (i) describes the fiduciary duty Access Persons have to the Firm’s clients; (ii) requires Access Persons to comply with federal securities laws; (iii) requires Access Persons to report, and for PBG LLC or its affiliates to review, Access Persons’ personal investment transactions and holdings; (iv) requires Access Persons to report any violations of the Code to Compliance; and (v) requires PBG LLC or its affiliates to provide each Access Person with a copy of the Code and any amendments, and requires Access Persons to acknowledge their receipt of the Code.

The Code includes policies designed to minimize potential conflicts of interest between Access Persons’ personal activities and those undertaken by PBG LLC. Topics covered by the Code include, but are not limited to, gifts and entertainment, political contributions, outside business activities, the treatment of material non-public information, and personal securities transactions.

PBG LLC permits Access Persons to engage in personal securities transactions; however, there are policies in place to address potential conflicts of interest when Access Persons buy or sell securities also bought or sold for clients. Personal securities transactions by an Access Person may raise a potential conflict of interest when an Access Person trades in a security that is considered for purchase or sale by a client, or recommended for purchase or sale by an Access Person to a client, in that the Access Person may be able to personally benefit from prior knowledge of transactions for a client by trading in a personal account. Per the Code, there is a “Blackout Period” which subjects Access Persons to restrictive trading prohibitions when the Access Person or the Firm is also trading in the security for clients. Under the Code, Access Persons must submit initial and annual reports of all applicable brokerage accounts and holdings, as well as duplicate trade execution confirmations and statements, which may be done electronically. In addition, Access Persons are required to pre-clear non-exempt securities transactions (as defined in the Code) via procedures established to mitigate conflicts of interest; and not engage in short-term trading without an exemption. The purchase of equity securities in initial public offerings (“IPOs”) by Access Persons can create an appearance that such personnel have taken inappropriate advantage of their positions for personal benefit. Accordingly, Access Persons who are investment personnel are prohibited from purchasing an IPO. All other Access Persons must obtain pre-clearance from Compliance prior to participating in an IPO. Failure to abide by the Code may result in sanctions, including termination.

It is possible that PBG LLC and its affiliates may recommend securities of companies in which a related person of PBG LLC has a direct or indirect interest or other financial interest not otherwise known to the Firm. In addition, PBG LLC or its affiliates may, from time to time, recommend to its clients affiliated funds for which PBG LLC or its affiliates act as an investment adviser. In the case of recommending affiliated funds to its clients, PBG LLC or its affiliates shall, prior to the client’s investment, disclose to such client (by providing the client with a copy of the current offering materials relating to such fund) the nature of the Firm’s (or its affiliate’s) relationship with such fund and the fee which PBG LLC or such affiliate will receive as a result of such client’s subscription to such fund. In addition, PBG LLC maintains certain compliance policies as well as the Code, which address activities that can raise conflicts.

PBG LLC may affect or recommend transactions to or on behalf of its clients in which client securities are sold to or bought from PBG LLC, or an affiliate acting as principal. To the extent that PBG LLC enters into transactions with affiliates on behalf of a client and/or fund, the terms of such transactions will be on terms that are no less favorable to the client / fund than would be obtained on an arms’ length basis and in accordance with applicable legal or other requirements. If PBG LLC determines it is required to seek the consent of the client / fund under the Advisers Act or otherwise in connection with the transaction, PBG

LLC will obtain the necessary consent prior to the completion of such transaction, as outlined in the respective client / fund documentation.

PBG LLC and its affiliates, officers, directors and employees of PBG LLC and such affiliates may engage, at or about the same time, in transactions or cause or advise other clients to engage in transactions, which may differ from or be identical to transactions engaged by client portfolios. Alternatively, PineBridge affiliates, officers, directors and employees of PBG LLC and such affiliates may recommend any transaction which any such affiliates or any of the officers, directors or employees of PBG LLC or such affiliates may engage in for their own accounts or the account of any other customer, except as otherwise required by applicable law and subject to PBG LLC's personal trading policy in the Code. Related persons of PBG LLC routinely purchase and sell securities that, in due course, PBG LLC also recommends to its clients, subject to applicable law and PBG LLC's personal trading policy.

Under certain circumstances, conflicts may arise in cases where different clients of PBG LLC invest in different parts of a single issuer's capital structure, including circumstances in which one or more PBG LLC clients may own private securities or obligations of an issuer and other PBG LLC clients may own public securities of the same issuer. Such conflicts of interest will be discussed and resolved on a case-by-case basis and will take into consideration the interest of the relevant clients, the circumstances giving rise to the conflict, and applicable regulations. Policies described here, and elsewhere in this document, including descriptions of the Firm's trade allocation policies, seek to mitigate these potential conflicts of interest. There can be no assurance, however, that all conflicts have been addressed in all situations.

A copy of the Code may be obtained by any client or prospective client upon request.

## Item 12 - Brokerage Practices

### Selecting Brokerage Firms

In selecting broker-dealers for the execution of trades and reasonableness of their compensation, the investment and/or trading teams will consider the full range and quality of the broker-dealer's services and may take into consideration, among other things, the following factors:

- General considerations such as price limitations, the nature of the security being traded, the size of the transaction, the nature and character of the markets for the security, the desired timing of the trade, the difficulty of the trade, and pertinent market information that may impact the price of the security
- Responsiveness to PBG LLC and the quality of previous execution services
- Level of trading and execution expertise, including the broker-dealer's ability to:
  - minimize the number of incomplete trades
  - execute trades quickly
  - search for and obtain liquidity to minimize market impact and accommodate unusual market conditions
  - execute unique trading strategies
  - execute and settle difficult trades
  - respond during volatile market periods
  - maintain the anonymity of an investment manager
  - maximize the opportunities for price improvement
  - reimburse the portfolio for its trade errors and correct them in a satisfactory manner
  - engage in after-hours and cross-border trading
- Adequacy of the infrastructure and technology, including access to a trading system characterized by efficient order-entry systems, adequate lines of communication, timely order execution reports, an efficient and accurate clearance and settlement process, and capacity to accommodate unusual trading volume
- Financial condition and stability, including ability to maintain and commit adequate capital when necessary to complete trades
- Ability to provide services to accommodate special transaction needs, including ability to implement step-outs and execute for client-directed brokerage arrangements and soft dollar arrangements, participate in underwriting syndicates, and obtain IPO shares
- Ability to provide the following information or services among others and as applicable:
  - general communication with PBG LLC and information flow on securities
  - suggestions that improve the quality of trade executions
  - proprietary or third-party research
  - access to research analysts
  - access to broker-dealer staff

Factors that are not considered by investment and/or trading teams when selecting broker-dealers for the execution of trades include:

- sale of interests in any PineBridge sponsored fund
- placement of any PineBridge fund or product
- personal relationships with employees of the broker-dealer
- gifts and entertainment received from the broker-dealer

PBG LLC does not adhere to any rigid formulas for selecting brokers, but weighs a combination of the preceding criteria. PBG LLC has no fixed internal brokerage allocation procedures designating specific percentages of brokerage commissions to particular firms. The Firm seeks best execution in transactions for its clients and will direct brokerage to firms providing research products and services on that basis.

### **Brokerage for Client Referrals**

PBG LLC currently does not select or recommend broker-dealers on the basis of client referrals, and therefore this section is not applicable.

### **Directed Brokerage**

PBG LLC does not routinely recommend, request or require that a client direct PBG LLC execute transactions through a specified broker-dealer.

### **Order Aggregation**

PBG LLC may or may not purchase or sell the same security for all clients that are eligible to buy or sell the security under each account's objective. Eligibility depends on various factors, including but not limited to, the size of the accounts, cash availability in each account and each account's investment restrictions, investment strategies and appetite for risk. To the extent permitted by law, the Firm may bunch or aggregate orders for several client accounts. All portfolios participating in an aggregated trade must receive/pay the same price and must share in the aggregate transaction costs relating to the aggregated trade, proportionate with their respective allocations.

### **Trade Allocation**

It is the policy of PBG LLC to allocate investment opportunities and transactions it identifies as being appropriate and prudent, including Initial Public Offerings ("IPOs") or other new issue and other investment opportunities that might have a limited supply, among its clients on a fair and equitable basis over time. No client or group of clients, regardless of affiliation, receives preferential treatment in connection with investment opportunities. The Firm's fiduciary duty, including the equitable treatment of clients, is the underpinning of the trade allocation policy and procedure.

PBG LLC clients have a broad range of investment objectives and risk tolerances. They may also have any number of accounting, regulatory, liquidity, or other limitations or goals that influence the optimal composition of their respective investment portfolios. Therefore, a number of factors may influence an allocation decision. These factors include, but are not limited to:

- Existing portfolio composition and applicable sector weightings;
- The desire to bring a portfolio up to a target exposure level;
- Cash limitations or excess cash, or an expectation of limitations or excess cash;
- Portfolio-specific investment restrictions or guidelines;

- Specific overriding client instructions;
- Foreign regulations, foreign market settlement practices (e.g., certain countries may prohibit trade aggregation);
- Trading inefficiencies (including order size) created by trade aggregation; and/or
- Accounting, regulatory or compliance-related issues (e.g., restricted securities, Section 16 limitations, Investment Company Act limitations).

Accordingly, in lieu of employing a compulsory pro rata allocation based on the relative market values of participating portfolios for every batch trade, the portfolio manager may submit an allocation plan with each batch trade order submitted to the trading desk.

The purpose of the allocation plan is to determine, in advance of the trade, how purchases and sales are to be allocated among specified portfolios and in what percentages any partially filled order will be allocated among those portfolios.

### **Cross Trades**

In certain circumstances, PBG LLC may (but is not required to) purchase and sell a security between two or more client accounts (a practice known as “cross trading”). PBG LLC will effect these purchases and sales between client accounts only if it believes such transactions are appropriate based on each party’s investment objectives, subject to applicable law and regulation. Cross trades for accounts subject to ERISA requirements are made in accordance with applicable Department of Labor requirements. PBG LLC seeks to ensure that the price paid or proceeds received by clients in a cross trade is fair and appropriate to both parties. Where a U.S. registered fund participates in a cross trade, the Firm will comply with procedures adopted pursuant to Rule 17a-7 under the Investment Company Act. An inherent conflict of interest may exist when engaging in these types of transactions.

### **Trade Error Policy**

PBG LLC implements trade reconciliation and confirmation procedures intended to prevent trade errors. As soon as possible, after an error has been discovered, Compliance conducts a full review of the facts and recommends appropriate action. Corrective actions are based on the facts and circumstances of each error on a case-by-case basis. If an error occurs and the client is disadvantaged, PBG LLC takes appropriate remedial steps to bring the client back to the position it was in prior to the trade error.

### **Step Outs**

Unless inconsistent with the duty to seek best execution, PBG LLC may, on occasion, instruct the executing broker to credit a portion of an aggregated trade to another broker that provides brokerage or research related services to PBG LLC, a common practice known as a “Step Out.” Generally, this may occur when numerous allocations are aggregated into one single trade order, whereas one or more of the clients participating in the block may have placed trade directions to one or more brokers other than the executing broker. A Step Out, in this case, allows the Firm’s traders to aggregate a trade order where all participating allocations receive the same price and facilitates specific client direction to trade with a specified broker(s). PBG LLC may also use Step Out transactions for regulatory or other purposes. It is unlikely that a client would be disadvantaged by means of a Step Out.

## Item 13 - Review of Accounts

### Periodic Reviews

Portfolio managers have overall responsibility for the accounts they manage and monitor them on an on-going basis. Accounts may be reviewed against a benchmark or against other accounts in the same strategy. Reviews are conducted to monitor portfolio performance and ensure that each portfolio conforms to guidelines established by PBG LLC and each client. In addition, on an annual basis, Compliance reviews a sample of active client portfolios to verify that each investment restriction and/or guideline in the client's IMA, sub-advisory agreement and/or other client documentation is accurately reflected in the Firm's order management system.

### Review Triggers

In addition to the above reviews, client account reviews may also be triggered by a number of factors, including, but not limited to: significant shifts in the market, account terminations or accounts winding down, on-boarding an account, change in account guidelines, client requests for review, or a change in the Firm's processes or strategies.

### Regular Reports

In general, PBG LLC provides written client reports on a monthly and/or quarterly basis. The reports generally contain evaluations of the portfolio and general economic conditions which, in the opinion of PBG LLC, impact such portfolio and may include the following information: (i) for each investment in the portfolio on the valuation date, the number of units held, the value of such units, and a comparison of such information with the information contained in the previous statement; (ii) details of transactions undertaken since the previous statement; (iii) basis of the valuations of investment; and (iv) exchange rates used, where applicable.

Limited partners and shareholders in Private Funds generally receive written reports per the reporting timeline outlined in the Private Fund offering materials.

## Item 14 - Client Referrals and Other Compensation

### Economic Benefits

From time to time, PBG LLC or PineBridge Affiliates may receive cash payments, stock options or other benefits (collectively, remuneration) from privately-held companies as a result of officers, directors or employees of the Firm or an affiliate serving on the board of directors of such companies, or for providing consulting, solicitation or related services to such companies. PBG LLC and/or PineBridge Affiliates may take fees from third parties for services provided by the Firm and/or PineBridge Affiliates to such third parties relating to a transaction, in which an advisory client has participated, or a security or portfolio of securities in which the advisory client is invested, in all cases except as otherwise limited by applicable law. In addition, PBG LLC or PineBridge Affiliates may serve as general partner or investment manager for limited partnerships and other pooled investment vehicles (collectively, funds) that invest in such companies, and may, when it believes that it is suitable and appropriate for a client, advise the client to invest in (or, in cases where it has investment discretion, invest the client in) such funds that in turn invest in the companies from which it would receive remuneration.

To offset the benefit of such remuneration to PBG LLC or PineBridge Affiliates, in certain instances a portion of the management fee charged with respect to such funds may be offset by an amount equal to or less than the amount of the remuneration received by PBG LLC and PineBridge Affiliates. There may be a conflict that PBG LLC or PineBridge Affiliates would have a financial incentive to invest client assets, directly or indirectly, in companies from which it receives remuneration. Nevertheless, it is the policy of PBG LLC to invest client assets only in securities and other portfolio assets that are in the client's best interest. Refer to the "Code of Ethics" section of this Brochure for additional details regarding conflicts of interest.

### Third Party Solicitors

PBG LLC may enter into compensation arrangements with solicitors for new business. Any soliciting arrangements will comply with Rule 206(4)-3 under the Advisers Act, pursuant to which persons introducing new client accounts to the Firm may receive a portion of the advisory fee generated by the account and/or a flat fee for a period of time that varies on a case-by-case basis.

Employees of PBG LLC may periodically participate and/or attend conferences sponsored by industry consultants. PBG LLC will act at all times in the clients' best interest, considering such factors as suitability.

In the event that an advisory client is obtained through a consultant to which the Firm has provided either compensation for such conferences or for which the Firm's personnel have participated in such conferences, PBG LLC will disclose such relationship to the advisory client upon request.



## Item 15 - Custody

Under Rule 206(4)-2 under the Advisers Act (the “Custody Rule”), PBG LLC may have custody of the assets contained in the portfolios of certain fund clients, because PBG LLC or an affiliate serves as the general partner of, or in a similar capacity for, the fund. Accordingly, PBG LLC may be subject to the relevant provisions of the Custody Rule. For those funds to which PBG LLC is deemed to have custody, Fund investors may not receive account statements from the custodian; rather, the pertinent funds are subject to an annual audit and the audited financial statements are distributed to each fund investor within the required time period.

## Item 16 - Investment Discretion

### Discretionary Authority for Trading

PBG LLC provides both discretionary and non-discretionary investment advisory services to clients. The IMA established with each client and the management agreement and indenture for each CLO outlines the discretionary authority for trading. Where investment discretion has been granted, the Firm generally manages the client's account and makes investment decisions without consultation with the client as to what securities to buy or sell, when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, the brokers with whom orders for the purchase or sale of securities are placed for execution, the price per share, and the commission rates at which securities transactions are effected. In some instances, the Firm's discretionary authority in making these determinations may be limited by conditions imposed by a client (in investment guidelines or objectives, or client instructions otherwise provided to PBG LLC).

## Item 17 - Voting Client Securities

### Proxy Voting

The Firm will not engage in Proxy Voting for its client accounts, as such voting is not applicable to the investment management services the Firm provides.

## **Item 18 - Financial Information**

### **Prepayment of Fees**

PBG LLC does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore this section is not applicable.

### **Financial Condition**

PBG LLC does not have any financial conditions that would impair its ability to meet its clients' contractual commitments.

### **Bankruptcy**

PBG LLC has not been the subject of a bankruptcy petition at any time.

## **Item 19 - Requirements for State-Registered Advisers**

PBG LLC is not registered with any state securities authorities, and therefore this section is not applicable.