

# **Brighthouse Investment Advisers, LLC**

## **Firm Brochure**

## **Marquis Portfolios**

## **Part 2A of Form ADV**

**March 31, 2024**

This brochure provides information about the qualifications and business practices of Brighthouse Investment Advisers, LLC solely related to services provided to the Marquis Portfolios. If you have any questions about the contents of this brochure, please contact us at 980-949-5089. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Brighthouse Investment Advisers, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Brighthouse Investment Advisers, LLC

11225 N. Community House Rd.  
Charlotte, NC 28277

## Item 2 Material Changes

There have been no material changes since Brighthouse Investment Advisers, LLC's ("BIA", "we" or "us") last annual report.

## Item 3 Table of Contents

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

## Item 4 Advisory Business

### Item 4A

BIA is an investment advisory firm that was established in 1994. BIA is a Delaware limited liability company. BIA is an indirect, wholly-owned subsidiary of Brighthouse Financial, Inc. ("BHF"), which is a publicly held company.

### Item 4B

BIA serves as the investment adviser to participants in the asset allocation program made available exclusively under Marquis Portfolios variable annuity contracts by the issuing insurance companies. In this capacity, we are your investment adviser solely for the purpose of developing and updating the models. We currently follow the recommendations of an independent third-party consultant to provide this service. From time to time, we may select a different consultant, to the extent permitted under applicable law. We also serve as the investment adviser to funds registered under the Investment Company Act of 1940, as amended

(the “1940 Act”), that are available under the Marquis Portfolios variable annuity contracts and/or that are available to investors through other variable insurance and variable annuity products.

#### **Item 4C**

In the Marquis Portfolios asset allocation program, you will choose to allocate your purchase payments among a set of investment portfolios you select using one of the models we provide. There currently are twenty models, a disciplined and a flexible model for each of ten levels of risk tolerance and return potential. It is your responsibility to select or change your model and your investment portfolios. Neither BIA, the insurance company nor your registered representative will make this decision for you.

#### **Item 4D**

Not applicable.

#### **Item 4E**

As of February 29, 2024, client assets under the Marquis program, which are managed on a non-discretionary basis, were approximately \$1,426,290,707.

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

BIA does not charge fees for the asset allocation service it provides with respect to the Marquis Portfolios. Participating contract holders will bear costs, both direct and indirect, associated with their investments in the variable annuity contracts and underlying investment portfolios, including their portion of fees and expenses incurred by the variable annuity contracts and investment portfolios, such as management fees paid to BIA in its capacity as investment adviser to registered funds available in the Marquis Portfolios and 12b-1 fees paid to our affiliated broker dealer and affiliated insurance companies by registered funds available in the Marquis Portfolios.

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

Not applicable.

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

BIA serves as the investment adviser to participants in the asset allocation program made available exclusively under Marquis Portfolios variable annuity contracts by the issuing insurance companies. In this capacity, our clients are holders of Marquis Portfolios variable annuity contracts. As noted above, BIA also serves as investment adviser to certain investment companies registered under the 1940 Act.

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

##### **Item 8A through 8C**

BIA advises the Marquis Portfolios solely through the provision of asset allocation models. To develop and update the asset allocation models for the Marquis program, BIA currently follows the recommendations of an independent third-party consultant. From time to time, we may select a different consultant, to the extent permitted under applicable law.

Asset allocation, in general, is an investment strategy intended to optimize the selection of investment options for a given level of risk tolerance, in order to attempt to maximize returns and limit the effects of market volatility. Asset allocation strategies reflect the theory that diversification among asset classes can help reduce volatility and potentially enhance returns over the long term. An asset class refers to a category of investments having similar characteristics, such as stocks and other equities, bonds and other fixed income investments, and cash equivalents. There are further divisions within asset classes, for example, divisions according to the size of the issuer (large cap, mid cap, small cap), the type of issuer (government, municipal, corporate, etc.) or the location of the issuer (domestic, foreign, etc.).

In the asset allocation program, you will choose to allocate your purchase payments among a set of investment portfolios you select using one of the models we provide. An asset allocation model is a set of target percentages for asset classes or sub-classes that represent the principal investments of the available investment portfolios. There currently are twenty models, a disciplined and a flexible model for each of ten levels of risk tolerance and return potential (generally, asset classes and sub-classes with higher potential returns have greater risk of losses and experience greater volatility). Disciplined models are designed to be constructed only from investment portfolios that adhere strictly to their stated investment styles and invest in specific asset classes or sub-classes, whereas flexible models can include allocations to investment portfolios that may invest across multiple asset classes or sub-classes, or that may move between investment styles, or asset classes or sub-classes, depending on market conditions or other factors.

It is your responsibility to select or change your model and your investment portfolios. Neither BIA, the insurance company nor your registered representative will make this decision for you.

A disciplined or flexible asset allocation model will be suggested based on your responses to a profile questionnaire that seeks to measure your personal investment risk tolerance, investment time horizon, financial goals and other factors. In order to participate in this program, you will need to complete the questionnaire. Once you select a model and the investment portfolio allocations, these selections will remain unchanged until you elect to revise the investment portfolio allocations within your model, select a new model, or both.

Although the models are designed to maximize investment returns and reduce volatility for a given level of risk, there is no guarantee the value of your contract will not decline or experience volatility. A model may fail to perform as intended, or may perform worse than a single investment portfolio, asset class or different combination of investment options. In addition, the model is subject to all of the risks associated with its underlying investment portfolios. If, from time to time, the models are changed, the flows of money into and out of underlying investment portfolios may generate higher brokerage and administrative costs for those portfolios, or such changes may disrupt an investment portfolio's management strategy.

For more complete information about each investment portfolio in the program, including a discussion of the investment portfolio's risks, investment objective and strategies, fees and expenses, see that investment portfolio's prospectus. There is no assurance any investment portfolio will achieve its investment objective. You should read each prospectus carefully before investing.

## **Item 9 Disciplinary Information**

Not applicable.

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

### **Item 10A**

Certain management persons of BIA are registered representatives of an affiliated broker-dealer, Brighthouse Securities, LLC.

### **Item 10B**

BIA is registered as a commodity pool operator. An officer of BIA is registered as an associated person.

### **Item 10C**

Our management persons are employees of BHF or a subsidiary thereof. Certain of our management persons are officers of the investment portfolios underlying Marquis Portfolio contracts and other contracts issued by affiliated insurance companies. See also 10A, above.

In addition, these affiliated insurance companies have joint ownership interests in BIA, which is formed as a "limited liability company." These ownership interests entitle these companies to profit distributions if we make a profit with respect to the advisory fees we receive from the investment portfolios we advise. Our affiliates therefore benefit accordingly from assets allocated to the investment portfolios to the extent they result in profits to BIA.

The issuing insurance company selects the investment portfolios offered through Marquis Portfolios contracts based on a number of criteria, including asset class coverage, the strength of the adviser's or subadviser's reputation and tenure, brand recognition, performance, and the capability and qualification of each investment firm. Another factor the issuing insurance company considers during the selection process is whether the investment portfolio's adviser or subadviser is one of its affiliates or whether the investment portfolio, its adviser, its subadviser(s), or an affiliate will make payments to the insurance company or its affiliates. In this regard, the profit distributions these companies receive from BIA are a component of the total revenue the companies consider in configuring the features and investment choices available in the contract. Since these insurance companies may benefit more from the allocation of assets to portfolios advised by BIA and affiliated investment advisers than to those that are not, the companies may be more inclined to offer portfolios advised by us or our affiliates.

As noted above, we serve as investment adviser to certain to registered funds available under the Marquis program and we receive a management fee for those services. Also, our affiliates provide various services to the investment portfolios you may Select and receive compensation for those

services, including the receipt of 12b-1 fees paid by the investment portfolios (see the prospectuses that describe your contract and investment portfolios for more information about fees and other payments we and our affiliates receive in connection with your contract and the investment portfolios).

Therefore, we have incentives to develop models in such a way that larger allocations will be made to more profitable portfolios. Also, we could believe certain portfolios we manage may benefit from additional assets or could be harmed by redemptions. As a fiduciary, we legally are obligated to disregard these incentives. These incentives are mitigated by the fact that our role is limited to the provision of non-discretionary models and we do not have investment discretion over any ultimate investments. In addition, we believe following the recommendations of an independent third-party to develop and update the models may reduce or eliminate the potential for us to be influenced by these competing interests. As described above, from time to time, we may select a different consultant to provide these recommendations, to the extent permitted under applicable law.

#### **Item 10D**

Not applicable.

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

##### **Item 11A**

BIA permits its employees, officers and directors (“personnel”) to engage in personal securities trading, subject to the restrictions imposed by the Brighthouse Funds and BIA Joint Code of Ethics (the “Code”). The Code places limitations on personal securities trading by certain personnel, called access persons. These limitations cover (i) investments in private placements; (ii) participation in initial public offerings; (iii) reporting of securities holdings and transactions as required by Rule 204A-1 under the Investment Advisers Act of 1940, as amended, and Rule 17j-1 under the 1940 Act; (iv) service on boards of publicly-traded companies; (v) the purchase of affiliated mutual funds; and (vi) trading before and after an affiliated mutual fund trade if the access person had actual knowledge that the security was being purchased or sold or that a buy or sell order was pending for the affiliated mutual fund. The Code sets out exemptions from certain of these limitations.

In addition, the Code states general principles that BIA expects personnel to follow in light of the fiduciary obligations BIA owes to clients. BIA recognizes that it is generally improper for BIA or its personnel to use for their own benefit information about trading or recommendations for clients or to take advantage of investment opportunities that would otherwise be available to clients. The Code requires that all of its personnel comply with federal securities laws, report violations of the Code and acknowledge receipt of the Code. The Code also places restrictions on the accepting and giving of gifts by personnel.

A copy of the Code will be provided to any client or prospective client of BIA upon request.

##### **Items 11B through 11D**

See Item 10C, above.

## **Item 12 Brokerage Practices**

Not applicable.

## **Item 13 Review of Accounts**

### **Item 13A through 13C**

We do not review individual client accounts. The asset allocation models are reviewed periodically (typically annually) and asset allocations within a particular model may need to be changed. Similarly, the principal investments, investment style, or investment manager of an investment portfolio may change such that it is no longer appropriate for a model, or it may become appropriate for a model. Also, from time to time, the insurance company may change the investment portfolios available under the contract. As a result of the periodic review and/or any changes in available investment portfolios, each model may change and asset classes or sub-classes may be added or deleted. The insurance company will provide notice regarding any such changes, and you, in consultation with your registered representative, may wish to revise your investment allocations based on these model and investment portfolio changes. You are not required to make any changes, and if you take no action your current allocations will continue in effect (provided the insurance company continues to make the investment portfolios in your current allocations available under the contract— please see your contract prospectus).

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

### **Item 14A**

See Item 10C, above.

### **Item 14B**

Registered representatives who sell the Marquis Portfolios variable annuity contracts through which the asset allocation program is offered are paid a commission in the ordinary course of business. The issuing insurance company and the affiliated broker-dealer that serves as principal underwriter and distributor of the contracts pay compensation to all selling firms in the form of commissions and may also provide certain types of non-cash compensation. Please refer to the product prospectus for more information.

## **Item 15 Custody**

You will receive periodic account statements from the issuing insurance company and should carefully review those statements.

## **Item 16 Investment Discretion**

Not applicable.

## **Item 17 Voting Client Securities**



**Item 17A**

Not applicable.

**Item 17B**

The issuing insurance company is the legal owner of investment portfolio shares underlying a variable annuity contract. As described more fully in the product prospectus, the insurance companies believe when an investment portfolio solicits proxies in conjunction with a vote of shareholders, they are required to obtain from you and other affected owners instructions as to how to vote those shares. When they receive those instructions, they will vote all of the shares owned in proportion to those instructions. BIA does not have the authority to vote client securities held under the Marquis program.

**Item 18 Financial Information**

Not applicable.

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

Not applicable.

**PART 2A Appendix 1: Wrap Fee Program Brochure**

Not applicable.

**PART 2B Brochure Supplement**

Not applicable.