

Item 1. Cover Page

March 27, 2024
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Citi Personal Wealth Management

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Citigroup Global Markets Inc. Citi Wealth Builder Program Form ADV Part 2A (Appendix 1): Firm Brochure

This wrap fee brochure provides information about the qualifications and business practices of Citigroup Global Markets Inc. (“CGMI”) and the services CGMI offers to clients of Citi Personal Wealth Management that enroll in the Citi Wealth Builder Program. If you have any questions about the contents of this brochure, please contact us at (833) 828-4533 (toll-free in the U.S.). 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.

Additional information about CGMI is also available on the SEC’s website at www.adviserinfo.sec.gov.

Where we refer to ourselves as a “registered investment adviser” or “registered”, that registration does not imply a certain level of skill or training.

Citi Personal Wealth Management is a business of Citigroup Inc. (“Citigroup”) that offers investment products and services through CGMI, member FINRA and SIPC. CGMI accounts are carried by Pershing LLC, member FINRA, NYSE, and SIPC.

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INVESTMENT AND INSURANCE PRODUCTS: NOT FDIC INSURED • NOT CDIC INSURED • NOT A BANK DEPOSIT • NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY OR ANY GOVERNMENTAL AGENCY OUTSIDE OF THE UNITED STATES • NO BANK GUARANTEE • MAY LOSE VALUE
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Item 2. Material Changes

Since our annual update filed on March 30, 2023, material changes were made to reflect the introduction of the Citi Wealth Builder Plus Program, which adds “Program Advisors” and other features, as a premium option to the existing Citi Wealth Builder Program.

Item 4. Services, Fees & Compensation

We enhanced the disclosure to provide more details about our arrangements with Pershing LLC, the clearing broker for the Program.

We compensate Pershing for the services it provides to us in relation to the Program. Among other fees, Pershing charges us a fixed annual fee for each client account. Under our arrangement with Pershing, Pershing reduces the fees it charges to us as follows: (i) for Citi Private Bank (“CPB”) and Citi Global Wealth at Work (“WaW”) accounts, we receive a one-time credit from Pershing for each new non-retirement Program account (\$450 per account) and (ii) for CPWM and Citi Personal Investments International (“CPII”) accounts, for new non-retirement Program assets under management established with Pershing, we receive 0.043% of new assets, capped at \$860, per account. This is so long as the number of new accounts or amount of new assets under management, respectively, exceeds the applicable baseline, which is agreed between us and Pershing on a quarterly basis. As a result, we benefit from paying lower fees for new accounts and therefore have a conflict of interest. To address this conflict, we have policies and procedures regarding recommendations of account types. We also do not share these credits with registered representatives, though compensation of representatives generally will be greater if more new accounts are opened or new assets come under management.

For wire transfer and outgoing account transfer services, CGMI charges fees to its clients as reflected in the standard fee schedule for account services. Note that these fees charged by CGMI to its clients include a mark-up of the amounts charged to CGMI by Pershing for these services, and CGMI’s portion of the fee frequently constitutes a majority (or all) of CGMI’s charge to the client for the service. Revenue from these services is not shared with registered representatives. See “Item 4.C. – Additional Information Regarding Fees and Charges” for more information about these service fees. For non-purpose loans obtained through Pershing, the interest rate charged to clients by CGMI exceeds the interest rate given to CGMI by Pershing (by an increment, which varies by client, that historically is up to, but not capped at, 3.75%). Interest paid on these loans is shared between Pershing and CGMI, and in certain circumstances, with registered representatives who receive a portion of, or credit for, interest paid. See “Item 9.A.2. – Lending Against Advisory Accounts” for more information about non-purpose lending.

In general, our arrangement with Pershing gives us an incentive to increase the financial benefits we receive from Pershing, to continue to use Pershing and its services as the clearing firm for the Programs and creates a conflict of interest with our clients. Any cost savings or other advantages achieved may differ by product line or distribution channel, and CGMI is not obligated to pass along the savings or other benefits to clients. CGMI seeks to mitigate this conflict by evaluating and monitoring the services it receives from Pershing in accordance with its vendor management policies and procedures.

In addition, we have made other changes that we do not consider to be material.

Please read the full brochure for additional information regarding the changes described above. Capitalized terms used in this section have the meanings assigned to them in the main body of the brochure.

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Item 3. Table of Contents

Item 1. Cover Page	1
Item 2. Material Changes	2
Item 3. Table of Contents	4
Item 4. Services, Fees & Compensation.....	5
A1. Introduction.....	5
A2. Description of the Citi Wealth Builder Program; CGMI's Advisory Services	5
A3. Clearing, Custody and Execution Services.....	10
A4. Sweep Programs.....	12
A5. Certain Risks	12
A6. Reasonable Investment Restrictions	15
B. Investment Advisory Services versus Brokerage Services; Cost of Program Relative to Non-Asset-Based Fee Alternatives; Relative Costs of Program Alternatives	15
C. Additional Information Regarding Fees and Charges.....	17
D. Compensation	18
E. Incentives	18
Item 5. Account Requirements and Types of Clients	19
Item 6. Strategy Selection and Evaluation.....	19
A. Research in Advisory Programs.....	19
B. Additional Information	21
Item 7. Client Information Provided to Portfolio Managers	24
Item 8. Client Contact with Portfolio Managers	24
Item 9. Additional Information	24
A1. Disciplinary Information.....	24
A2. Other Financial Industry Activities and Affiliations	27
B1. Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading.....	30
B2. Review of Accounts	32
B3. Client Referrals and Other Compensation	32
B4. Financial Information.....	33
B5. Other Information	33

Item 4. Services, Fees & Compensation

A1. Introduction

This brochure provides information about CGMI and the investment advisory services it provides to clients of Citi Personal Wealth Management (“CPWM”) that enroll in the Citi Wealth Builder Program (“CWB”) or the Citi Wealth Builder Plus Program (“CWB Plus” and together with CWB, the “Program”). CPWM is a business unit of Citigroup Inc. (“Citigroup”), and CGMI is a subsidiary of Citigroup. CGMI is registered as an investment adviser and a broker-dealer with the SEC. CGMI will serve as the client’s investment adviser in connection with the Program. CGMI may determine to delegate certain of the services described below to one or more of its affiliates and/or third parties.

Clients should read and consider carefully the information contained in this brochure. While CGMI believes that its professional investment advice can benefit many clients, there is no assurance that the objectives of any client in the Program will be achieved.

A2. Description of the Citi Wealth Builder Program; CGMI’s Advisory Services

The Program

The Program provides automated, “robo”-advisory services. In the Program, a client’s assets will be invested according to defined asset allocation models (each, a “Model”) that are proposed based on the client’s investment objectives and investment risk profile. Pershing LLC (together with certain of its affiliates, “Pershing” or “Clearing Firm”) provides custody and clearing services for client accounts and also provides trade execution and related services to implement the investments proposed by the Models.

In addition to the robo-advisory services provided in CWB, clients enrolled in CWB Plus also have access to a dedicated group of CGMI representatives available to offer advice and guidance as part of CWB Plus (“Program Advisors”) and a financial planning service (the “Planning Service”) to develop a limited purpose, goal-specific financial plan (a “Plan”).

To enroll in the Program, clients must first enter into a Program agreement (a “Program Agreement”) with CGMI. In the Program Agreement, the client appoints CGMI to act as the client’s investment adviser and agent and to provide certain services related to the Program. Subject to meeting the minimum account requirement, a CWB client may change from CWB to CWB Plus by closing the client’s CWB account and opening a new CWB Plus account.

Investments made through the Program are inherently speculative and involve the risk of loss of capital. No guarantee or representation is made that the Program or any investment will achieve its objectives or that losses will be avoided. The past performance of an investment made through the Program is not indicative of future performance. Neither CGMI nor any of its affiliates makes any representations or warranties in this brochure with respect to the present or future level of risk or volatility in the Program or any investment, or the Program’s or any investment’s future performance or activities.

Questionnaire

In connection with entering into a Program Agreement, the client completes an application (the “Application”), which includes a questionnaire (the “Questionnaire”) designed to elicit information about the client’s investment risk profile, investment objectives, anticipated investment time horizon, and the client’s preference regarding investment style (e.g., track an index versus integrate sustainability criteria versus incorporate active management). The Application proposes a Model based on the client’s answers to the Questionnaire. Clients enrolling in CWB Plus must consult with a Program Advisor to complete the Application process. CWB Plus clients should be prepared to engage in an annual review of their respective CWB account, including its overall performance, progress toward investment goals, and information submitted through the Application, including, but not limited to, the client’s responses in the Application to risk tolerance questions and investment objectives. An annual review can be an opportunity for clients to ensure that such information is up to date, complete and accurate and that client’s selected Models and management styles reflect client’s current financial status and account objectives. In addition to the Program’s online access for such review and adjustment of client information, choices, and objectives, CWB Plus clients can schedule an appointment for a review with a Program Advisor. From time to time and at their discretion, Program Advisors also may invite CWB Plus clients to schedule an appointment to engage in a review. Client is solely responsible for providing accurate information and updating the Program through the Application or as otherwise directed by us for any changes or adjustments. Client’s Program Agreement may be subject to termination, at our sole discretion, if client is not engaged in an annual or other review, whether requested or not, in a manner deemed acceptable by us.

Models

The Models in the Program have different investment objectives and investment strategies.

- The “Active Models” (also referred to as “Dynamic” Models (the “Active Models”)) consist of exchange-traded funds (“ETFs”) and mutual funds that incorporate active portfolio management.
- The “ESG Models” (also referred to as “Sustainable” Models (the “ESG Models”)) consist of ETFs that are designed, in part, with consideration of sustainable investing criteria, which is the umbrella term for the various approaches to investing that seek to align with environmental, social and governance (“ESG”) principles.
- The “Index Models” (also referred to as “Essentials” Models (the “Index Models”)) consist of ETFs that are passively managed to track the investment results of securities indices.

All Models include an allocation to cash and cash equivalents. The Models do not include ETFs or mutual funds that are sponsored and/or advised by affiliates of CGMI. The Models are not designed to provide clients with a comprehensive financial plan.

The type of Model proposed for the Program depends on the investment strategy preference expressed by client in the Application. Except as described below, a client’s investment objectives and investment profile, including investment preferences, risk tolerance and desired investment amount, may be updated in the Application at any time, which may result in a different Model being proposed. Client should consider potential adverse tax consequences before electing to switch Models.

Citi Investment Management (“CIM” or the “Model Provider”) is responsible for developing and maintaining the Models, including setting the asset allocation strategy of the Models offered in the Program, selecting the underlying investment holdings of the Models, and recommending adjustments to the Models from time to time. CIM does not serve as an investment adviser to the clients who participate in the Program. CIM is a business of Citigroup Inc. that operates through CGMI and other Citi affiliates.

Pursuant to the Program Agreement, the client authorizes CGMI to direct the purchase and sale of securities for the client’s account in accordance with the Model proposed by the Application (which proposal, in turn, is based on the client’s responses to the Questionnaire). The Model Provider delivers the Model (and any updates to the Model) to CGMI, and CGMI in turn delivers the Model (and any updates to the Model) to Clearing Firm. Upon receipt of the Model, Clearing Firm executes transactions for the client’s account in the proposed securities, subject to any reasonable investment restrictions that the client imposes.

The Site

CGMI provides investment advice through the Program through an interactive online mobile application or digital platform (the “Site”) provided by CGMI, with additional support from Program Advisors for CWB Plus clients. The Application and Questionnaire are available exclusively on the Site.

The method for providing investment advice to clients through the Site may be different from other investment advisory relationships with which they are familiar. Prospective CWB clients must be willing to receive investment advice exclusively through the Site to use the services provided under the Program and must complete the Questionnaire without the guidance of a Program Advisor. Prospective CWB Plus clients must be willing to receive investment advice through the Site platform and by telephone or other means from Program Advisors who are not individually assigned to them. The process used to make investment proposals through the Application may not elicit the same information as a face-to-face interview with a financial advisor.

Program Advisors and Coaches

Current and prospective clients of CWB Plus may contact a Program Advisor for advice or guidance during the Application process and throughout the advisory relationship. Program Advisors are part of a dedicated pool of CGMI representatives for CWB Plus but are not individually assigned to clients. During the Application Process, Program Advisors are available to answer general questions about the Models or the Program, but do not provide personalized investment advice. Program Advisors are available by appointment at the telephone number or other means provided on the Site. Program Advisors are not available to CWB clients.

All current and prospective clients may contact a customer service representative generally referred to as a “Coach,” “Digital Coach,” or “Wealth Solutions Advisor” (collectively, “Coach”) with questions about Site operations and for assistance regarding online access and use of the Site. Coaches may provide information about CGMI advisory programs and brokerage services potentially available to the client and how to connect with a CGMI registered representative. Coaches may provide technical support and certain limited educational and informational materials over the telephone and internet

related to clients' use of the Application, but such support is educational and informational in nature or related to the Program generally or to the technical use of the Application and is not, and should not be construed as, investment advice relating to the Program. Coaches are not Program Advisors and do not provide investment advice.

CWB Plus Financial Planning

The Planning Service is an ancillary and complimentary financial planning service made available to clients of CWB Plus. A Plan created with the Planning Service is a limited purpose, goal-specific financial plan based exclusively on the information provided by the client when creating the Plan. CWB Plus clients are not eligible to use the Planning Service or create a Plan if they have another financial plan with CGMI that remains in effect or is being implemented through another account with CGMI.

For the Planning Service, CGMI will gather certain basic identification and financial data from the client's bank accounts and relationship(s) and other information at its affiliates including Citibank, N.A. ("Citibank"). Clients also may submit account information from external financial institutions. Data, including personal, account, and relationship information, of CWB Plus clients will be shared by Citibank and its affiliates with CGMI notwithstanding any previous "opt-out" by the client restricting Citibank or its affiliates from accessing, sharing or using such information. CWB Plus clients may consult a Program Adviser to change or modify the financial data in the Plan or to submit new or additional information for purposes of developing the Plan. Certain information may be provided through the Site, but clients must consult a Program Advisor to complete a Plan.

CGMI's investment advisory services in respect of the Planning Service are limited solely to the preparation and delivery of a Plan to CWB Plus clients, and each CWB Plus client's investment advisory relationship with CGMI in respect of the Planning Service ends when CGMI delivers the Plan. Implementation of a delivered Plan is the exclusive responsibility of the client and not of CGMI. Once a Plan is delivered, CGMI has no responsibility to update the Plan or contact the client to update the information used to create the Plan.

A Plan developed through the Planning Service will not influence CGMI's management of the account based on the chosen Model. Information submitted by the CWB Plus client as part of the Planning Service will be maintained separately from information submitted by client through the Questionnaire. Only the information submitted through the Questionnaire will be considered in managing the account. CGMI will not use or consider any information submitted or acquired in connection with the Planning Service in managing the account.

Other financial plans or planning services might offer more information or services and some plans or services may be available without enrollment in programs or accounts that have costs or fees (like the Program). Other CGMI accounts or relationships offer financial planning services that are more comprehensive or more extensive than the Plan developed under the Planning Service.

Re-balancing

The investments in the client's account and the proportions in which they are held will generally be rebalanced at least once in each calendar year, and may be rebalanced more frequently. Rebalancing will occur periodically (*i.e.*, at our discretion) to align with the information and preferences specified by the

client in the Questionnaire and the investment allocations proposed by the Model that the client selects. Any rebalancing transactions will affect the market value of the account, and will also have tax consequences.

Evaluation and Selection of Investment Strategies

The Application proposes a Model based on the client's answers to the Questionnaire. The Models offered in the Program are based on investment strategies designed by the Model Provider. Each investment strategy offered in the Program must meet the CitiAccess research standard, the CitiFocus research standard, or the standards set by the Forum for the Review and Approval of Managers ("FRAM"). (See "Item 6.A—Research in Advisory Programs"). Models are subject to ongoing review regarding their appropriateness as an investment option in the Program.

CGMI and the Model Provider reserve the right to update, modify, add, remove or otherwise change the Models or the types of Models in the Program at any time in their sole discretion. If a Model ceases to be available through the Program, CGMI may exercise its discretion to select a replacement Model for affected client accounts based on Questionnaire responses and the previous Model for the account. Depending on the circumstances, clients may not be notified until after a replacement Model has been implemented. There are potential adverse tax consequences to switching Models.

Account Information

CGMI (either directly or indirectly) confirms all transactions executed for the account and provides account statements at least quarterly. CGMI, Clearing Firm or one of their respective designees also delivers to clients copies of the prospectuses for the ETFs and/or mutual funds in which they invest.

Fees

Clients participating in the Program pay CGMI an annual asset-based fee. The annual asset-based fee is calculated at the rate of 0.25% for CWB and 0.60% for CWB Plus based on the average daily balance of a client's account during the billable quarter. The fee is paid quarterly in arrears and is due on the first business day following the end of each calendar quarter.

The fee includes all fees or charges of CGMI and Clearing Firm, including investment advice, brokerage commissions for trades executed at Clearing Firm, Clearing Firm's custodial charges and fees payable to the applicable Model Provider. The fee does not include the fees and expenses charged by the ETFs and/or mutual funds in which the client invests. Additionally, the fee does not include the following: (a) any fees or charges for services provided by CGMI, an affiliate (if applicable), Clearing Firm or third parties that are outside the scope of the client's Program Agreement with CGMI (e.g., wire transfer fees, account transfer fees, lending fees and interest, retirement plan administration fees, trustee fees, *etc.*); (b) any and all taxes and fees or their equivalent imposed by exchanges or regulatory bodies; and (c) certain other fees and charges described herein. CGMI pays a portion of the asset-based fees it receives from clients to Clearing Firm. For more information relating to fees, see "Item 4.C—Additional Information Regarding Fees and Charges" and "Item 9.B.3—Client Referrals and Other Compensation."

The fee applicable to a client's account can be changed by CGMI at any time, upon written notice to the client. CGMI will promptly notify the client of any changes to the fee applicable to client's account, which notice may be delivered after the effective date of any new fee. CGMI, in its sole discretion, may offer a lower fee than identified above (or a fee waiver) to other clients.

Termination of Program Agreement

Either party may terminate a client's Program Agreement at any time upon written notice to the other, and termination will become effective upon delivery of such notice. A client may also terminate its Program Agreement by providing telephonic notice to CGMI.

Upon termination of a client's Program Agreement, the client may elect to have CGMI liquidate the client's account or convert the client's account to non-managed status. If a client's account is converted to non-managed status, the client will have exclusive responsibility for all investment and other decisions affecting such account, and neither CGMI nor its affiliates will: (i) be under any obligation to recommend any action with regard to, liquidate, or monitor the investments in such account, (ii) take any action or notify the client, including with respect to any corporate actions or proxies applicable to investments held in such account, or (iii) be liable for any depreciation in the value of the investments held in such account or any failure to recommend any action or take any action with respect to such investments.

A3. Clearing, Custody and Execution Services

Pershing acts as clearing firm and custodian of client assets in connection with the Program. Pershing is a "qualified custodian" within the meaning of Rule 206(4)-2 under the Investment Advisers Act of 1940, as amended (the "Advisers Act"), otherwise known as the "Custody Rule."

In its capacity as clearing firm, Pershing provides a variety of services for the Program. These services include, without limitation, holding client account assets in custody, settling transactions, sending trade confirmations, account statements and tax reporting documentation, and other operational account-related services. Pershing will not provide (and should not be construed as providing) clients with any investment advice in connection with the Program. CGMI reserves the right at any time, and without notice to clients, to terminate the delegation of some or all of these custody and clearing services and to assume or further delegate responsibility for such services.

Pershing executes transactions for the client's account in accordance with the Model proposed by the Application (which proposal, in turn, is based on the client's investment style preference and responses to the Questionnaire), subject to any reasonable investment restrictions that the client has imposed.

We compensate Pershing for the services it provides to us in relation to the Program. Among other fees, Pershing charges us a fixed annual fee for each client account. Under our arrangement with Pershing, Pershing reduces the fees it charges to us as follows: (i) for Citi Private Bank ("CPB") and Citi Global Wealth at Work ("WaW") accounts, we receive a one-time credit from Pershing for each new non-retirement Program account (\$450 per account) and (ii) for CPWM and Citi Personal Investments International ("CPII") accounts, for new non-retirement Program assets under management established with Pershing, we receive 0.043% of new assets, capped at \$860, per account. This is so long as the number of new accounts or amount of new assets under management, respectively, exceeds the

applicable baseline which is agreed between us and Pershing on a quarterly basis. As a result, we benefit from paying lower fees for new accounts and therefore have a conflict of interest. To address this conflict, we have policies and procedures regarding recommendations of account types. We also do not share these credits with registered representatives, though compensation of representatives generally will be greater if more new accounts are opened or new assets come under management.

For wire transfer and outgoing account transfer services, CGMI charges fees to its clients as reflected in the standard fee schedule for account services. Note that these fees charged by CGMI to its clients include a mark-up of the amounts charged to CGMI by Pershing for these services, and CGMI's portion of the fee frequently constitutes a majority (or all) of CGMI's charge to the client for the service. Revenue from these services is not shared with registered representatives. *See* "Item 4.C. – Additional Information Regarding Fees and Charges" for more information about these service fees.

For non-purpose loans obtained through Pershing, the interest rate charged to clients by CGMI exceeds the interest rate given to CGMI by Pershing (by an increment, which varies by client, that historically is up to, but not capped at, 3.75%). Interest paid on these loans is shared between Pershing and CGMI, and in certain circumstances, with registered representatives who receive a portion of, or credit for, interest paid. *See* "Item 9.A.2. – Non-Purpose Loans through Clearing Firm" for more information about non-purpose lending.

In general, our arrangement with Pershing gives us an incentive to increase the financial benefits we receive from Pershing, to continue to use Pershing and its services as the clearing firm for the Programs and creates a conflict of interest with our clients. Any cost savings or other advantages achieved may differ by product line or distribution channel, and CGMI is not obligated to pass along the savings or other benefits to clients. CGMI seeks to mitigate this conflict by evaluating and monitoring the services it receives from Pershing in accordance with its vendor management policies and procedures.

The cost to terminate our arrangement with Pershing decreases over time, which gives us a financial incentive to continue our relationship with Pershing.

In CGMI's sole discretion, at any time and for any reason, CGMI may engage an alternative broker-dealer to execute transactions for a client's account. If there is a disruption in the services provided by Clearing Firm for any reason, CGMI or an affiliate may execute transactions for the account during the period of the disruption. This may impact account performance.

In executing transactions for the account, Clearing Firm may act on an agency or principal basis, to the extent permitted by law and subject to applicable restrictions, and will be entitled to compensation for its services. Because transactions for the account will generally be executed exclusively through Clearing Firm, the prices at which transactions are executed may be less favorable for the client than would be the case if another broker-dealer were used.

Some or all transactions effected by Clearing Firm for the client's account may be aggregated with transactions for other clients of CGMI, Clearing Firm or one of their respective affiliates and may be subsequently allocated to the client's account at an average price. Clearing Firm may also from time to time and at its discretion act as principal (to the extent permitted by law) with respect to aggregated orders that result in allocations to the client's account at an average price. The client's confirmations will identify when a transaction was effected at an average price, the average price at which it was effected, and if so, whether CGMI acted as principal or agent for the transaction. When a transaction for

the client's account is aggregated with transactions effected for other accounts, the price at which the aggregated transaction is effected may be less favorable for the client's account than would be the case if the relevant security or other financial product was transacted for the client's account individually. Clearing Firm maintains policies and procedures designed to ensure that aggregated transactions are effected on a fair and equitable basis.

A.4 Sweep Programs

Cash balances in a Program account are invested or "swept" automatically into an eligible money market mutual fund (each, a "Sweep Fund") selected by CGMI in its sole discretion. In entering into a Program Agreement, clients authorize CGMI, without any further direction, to sweep or invest each business day all cash balances in the account in excess of \$0.01 be automatically invested or swept every business day into the Sweep Fund that CGMI selects. The prospectus for each Sweep Fund is provided to clients, as required under applicable law.

In the event that a client makes an additional contribution to its account in an amount less than a minimum threshold established by CGMI from time to time (generally the lesser of \$200 or 4% of the value of the account), such additional contribution will be invested or "swept" automatically into the Sweep Fund and will not be invested according to a Model until additional funds are contributed to the account or the account is otherwise rebalanced.

The asset-based fee charged in connection with the Program will be applied to cash balances in a client's account, including assets invested in a Sweep Fund. Clients should understand that they will experience negative performance on the cash portion of their accounts if the applicable asset-based fee charged in respect of the cash is higher than the return the client receives from the cash sweep vehicle (i.e., the Sweep Fund).

Clients who elect affirmatively not to use any of the available cash sweep options are credited interest on cash by Clearing Firm at a rate determined by Clearing Firm. To the extent that Clearing Firm sets this rate above zero, which it may do at any time, CGMI will earn a share of the revenue generated by client deposits.

A.5. Certain Risks

Risks Related to Investments in ETFs

An ETF is an investment company that allows investors to purchase an undivided interest in a portfolio of securities and other assets. An ETF's portfolio may consist of stocks, commodities, and other financial assets to achieve the investment objectives stated in the ETF's prospectus. ETFs, like other investments, are subject to certain risks. Returns are not guaranteed. NAVs may be volatile and an investor in an ETF could lose the entire amount of his or her investment. Investing in ETFs that invest in international, aggressive growth stocks, or less liquid securities may only be appropriate for clients whose investment profile allows them to assume the risks associated with those funds. Unlike mutual funds, shares of ETFs are listed and traded on securities exchanges.

The market price for ETF shares may be higher or lower than the ETF's net asset value. Shares of ETFs may at times be acquired by CGMI for a client's account at market prices representing premiums to

their net asset values. In addition, ETFs held in a client's account could trade at a discount from their net asset values, and such discount could increase while the ETFs are held in the account. If the market price of shares of an ETF decreases below the price at which CGMI purchased the shares for the client's account, and CGMI were to sell such shares for the account at a time when the market price is lower than the price at which it purchased the shares, the account would experience a loss.

Investments in ETFs also involve the risk that the ETF's performance may not track the performance of the index (if any) the ETF is designed to track. Unlike an index, an ETF incurs administrative expenses and transaction costs in trading securities. In addition, the timing and magnitude of cash inflows and outflows from and to investors buying and redeeming shares in the ETF could create cash balances that cause the ETF's performance to deviate from the index (which remains "fully invested" at all times). Performance of an ETF and the index it is designed to track (if any) also may diverge because the composition of the index and the securities held by the ETF may occasionally differ.

In addition, only "Authorized Participants" may engage in creation or redemption transactions directly with an ETF, and an ETF will have a limited number of institutions that act as Authorized Participants. To the extent that these institutions exit the business, elect not to transact with the ETF, or are unable to proceed with creation and/or redemption orders with respect to the ETF and no other Authorized Participant is able to step forward to create or redeem, the ETF's shares may trade at a discount to their net asset value and possibly face trading halts and/or delisting.

The Models available through the Program can include ETFs that have no prior, or limited, operating history and performance. Certain Models also include ETFs with particular investment styles or strategies, such as an ETF that invests in securities based on growth characteristics or ESG factors. These ETFs are limited in the types and number of investment opportunities available, and as a result, these ETFs may underperform other ETFs that do not have a similar focus. There can be no assurance that the companies in which such an ETF invests will exhibit the relevant characteristics of the ETF's particular strategy.

Risks Related to Investments in Mutual Funds

A mutual fund is an investment company that allows investors to purchase an undivided interest in a portfolio of securities and other assets. A mutual fund's portfolio may consist of stocks, bonds, money market instruments, commodities, derivatives, and other financial assets to achieve the investment objectives stated in the mutual fund's prospectus. Mutual funds, like other investments, are subject to certain risks. Returns are not guaranteed, NAVs may be volatile and an investor in a mutual fund could lose the entire amount of his or her investment. Investing in mutual funds that invest in international, aggressive growth stocks, or less liquid securities may only be appropriate for clients whose investment profile allows them to assume the risks associated with those funds. Mutual funds available in the Program are actively managed, meaning that they carry the risk that the fund will underperform compared to another fund that tracks an index.

Certain mutual funds offer only one class of shares, while other mutual funds offer multiple share classes that are available for investment based upon certain eligibility and/or purchase requirements. Mutual funds often permit the conversion of shares from one class to another, subject to certain conditions as determined by the applicable fund. Depending on the circumstances, a client could be subject to higher expenses overall once the shares convert to a share class that is deemed eligible. A

client's mutual fund share class will not be converted if, for example, there is no equivalent share class eligible for the Program or in other circumstances. Clients should discuss the impact of a conversion of mutual fund shares prior to contributing any mutual fund investments to a program account.

Risks Related to ESG Investing

An ESG investment strategy is limited in the types and number of investment opportunities available and, as a result, an ESG investment strategy may underperform other investment strategies that do not have an ESG focus. An ESG investment strategy may invest in securities or industry sectors that underperform the market as a whole or underperform other funds screened for ESG standards. Frameworks for ESG investing vary among investment advisers and funds. Therefore, the companies selected by an index provider or investment adviser as demonstrating ESG characteristics may not be the same companies selected by other index providers or investment advisers that use similar ESG screens. Further, an index provider or investment adviser may select companies based on a particular ESG factor or factors rather than a holistic assessment of a company's ESG characteristics. In addition, companies selected by an index provider or investment adviser may not exhibit the ESG characteristics the index provider or investment adviser seeks to identify.

Risks Related to Investments in Money Market Mutual Funds

As described above, cash balances in a Client's account will be automatically swept into an eligible money market mutual fund. An investment in a money market mutual fund is neither insured nor guaranteed by the FDIC or any other government agency. A money market mutual fund seeks income by investing in short-term debt securities. Money market mutual funds may have a floating net asset value or may seek to maintain a constant net asset value of \$1 per share. For all money market mutual funds, including those that seek to preserve the value of an investment therein at \$1 per share, it is possible to lose money. Furthermore, certain money market mutual funds subject investors to restrictions on the ability to redeem an investment in times of market stress, by imposing liquidity fees and/or temporary bans on redemptions. If the liquidity fees or bans on redemptions are triggered, then clients could be prevented from withdrawing some or all of their cash for investment purposes or for other liquidity needs. In addition, if money market mutual funds are forced to cease operations and their holdings must be liquidated or distributed in kind to the fund's shareholders, then clients could be prevented or delayed from accessing their cash.

Access Interruptions

CGMI makes no guarantee that access to the Application will be available at all times. CGMI reserves the right to suspend access to the Application without prior notice for scheduled or unscheduled system repairs or upgrades. Further, access to the Application and a client's account, may be limited or unavailable due to, among other things: market volatility, peak demand, systems upgrades, maintenance, any kind of interruption of the services provided by CGMI, hardware or software malfunction or failure, internet service failure or unavailability, the actions of any governmental, judicial, or regulatory body, and force majeure.

Investment Tools

The investment tools on the Site are provided as an accommodation and are not a guarantee of performance and CGMI does not guarantee or make any warranty of any kind, express or implied, regarding the projections or proposals generated by the Site. CGMI is not liable for any losses (including lost opportunity or profits) arising out of or relating to discrepancies between projections and proposals and actual performance. The Site is not designed to provide clients with a comprehensive financial plan.

A.6. Reasonable Investment Restrictions

Clients may request as directed on the Site and Application that a particular security or category of securities not be purchased or sold for an account. In addition, CWB Plus clients may request restrictions by contacting a Program Advisor. If CGMI determines that the client's requested restrictions are reasonable, CGMI will use its best efforts to honor such restrictions and will delegate responsibility for implementing such restrictions to Clearing Firm. CGMI will reject any restriction it believes is unreasonable or cannot be effectively implemented or monitored. Clients should understand that restrictions can have an adverse effect on the account's investment performance, asset diversification, and ability to achieve its investment goals and objectives, compared with an account that is fully invested in the securities proposed for the account by the relevant Model. In the event a category of securities is restricted, Clearing Firm will have sole discretion to determine the specific securities in the restricted category. In making this determination, Clearing Firm may rely on outside sources, such as standard industry codes and research furnished by independent service providers. Compliance with any restrictions will be as of the date of selection of the restricted investment only, based on the characteristics of such investment on that date, as determined by the Clearing Firm in its discretion. Restrictions will not be deemed to be violated due to changes in the characteristics of an investment following the purchase or selection of an investment.

Restrictions imposed on the management of the account will not apply to or affect the internal management or underlying investments held by an ETF or mutual fund purchased for the account in accordance with the Model selected by the client. Each ETF or mutual fund is managed or invested in accordance with its investment objectives and the guidelines set forth in the fund's prospectus. Consequently, clients will have limited ability to impose restrictions on the management of their account. If an investment restriction is deemed reasonable, Clearing Firm will allocate the assets that would have been invested in the security(ies) impacted by the investment restriction to cash or cash equivalents.

B. Investment Advisory Services versus Brokerage Services; Cost of Program Relative to Non-Asset-Based Fee Alternatives; Relative Costs of Program Alternatives

CGMI is registered as both a broker-dealer and as an investment adviser under federal and state securities laws, and provides services in both capacities in connection with the Program described in this brochure. Investment advisory and brokerage services are separate and distinct and are governed by different laws and separate contracts.

Brokerage services are transactional and primarily involve assisting a customer with purchases and sales of securities. We make recommendations to customers about buying, selling, and holding securities in brokerage accounts, but the customer makes final investment decisions for the account. We do not monitor any investments in brokerage accounts. For brokerage services, a customer pays a transaction-

based fee, sometimes called a commission or a “load,” each time the customer buys or sells an investment. If a customer buys or sells an investment directly from CGMI, CGMI earns a profit on that transaction that sometimes is called a spread or mark-up or mark-down.

Investment advisory services are provided on an ongoing basis and typically involve providing investment advice designed to meet a client’s comprehensive long-term financial goals. In most investment advisory account programs, clients grant CGMI or a third-party discretion to buy and sell investments without asking the client in advance. Other investment advisory accounts are non-discretionary and the client makes the final investment decisions for the account. The investment adviser for an account typically provides ongoing monitoring services for the account unless the relationship is limited in scope, like financial planning. For investment advisory services, CGMI typically charges an ongoing fee based on the value of the assets in the account.

Although the primary purpose of the Program is to provide clients with investment advice and guidance, the Program combines both brokerage and investment advisory services, and the single asset-based fee that clients pay for the Program generally covers CGMI’s brokerage and investment advisory services, along with clearing and custody services and certain other services described above. (Services that are not covered by the single asset-based fee are described below).

Clients should understand that they may be able to obtain some or all of the services described in this brochure from CGMI without participating in the Program. In that case, a client’s total cost may be lower or higher than the fees charged in connection with the Program. Clients may also be able to obtain the same or similar services or types of investments through other advisory programs offered by CGMI and/or its affiliates. Such other investment advisory programs may be offered at a lower or higher overall cost than the Program. For example, CGMI’s Model Allocations Portfolios Program and Multi-Asset Class Solutions Program provide services that are similar to those provided through the Program and also allow clients to seek advice from a CGMI financial advisor. Accordingly, clients who seek services that are similar to those provided through the Program and also desire to interact with a CGMI financial advisor should consider investing through the Model Allocation Portfolios Program or Multi-Asset Class Solutions Program and should also review the full suite of investment advisory programs offered by CGMI. Such investment advisory programs (including the Model Allocations Portfolios Program and Multi-Asset Class Solutions Program) are described in CGMI’s Form ADV Part 2A for Investment Advisory Programs, which can be accessed here: <http://www.citi.com/investorinfo/advisoryprivacy/>. Likewise, CWB Plus clients should be aware that CGMI offers a financial planning service at no charge to CPWM clients. The Citigroup Global Markets Inc. Financial Planning Service offered through CPWM is described in CGMI’s Form ADV Part 2A for the Financial Planning Service, which can be accessed here: <http://www.citi.com/investorinfo/advisoryprivacy/>.

Moreover, unaffiliated financial services firms may offer to the public other investment products with similar investment styles and holdings as the Models offered through the Program. The fees and charges associated with these products may be higher or lower than the fees imposed by CGMI under the Program. In addition, because the fees can be lower or temporarily waived for other clients, a client participating in the Program could pay higher or lower fees than an otherwise similarly situated client participating in the Program.

In comparing the Program with other programs or account types, and their relative costs, a client should consider various factors, including, but not limited to:

- the client's preference for an investment advisory or brokerage relationship, a discretionary or a non-discretionary relationship, a fee-based or commission-based relationship, and access to a dedicated financial advisor;
- the types of investment vehicles and solutions that are available in the Program;
- whether the investment solution offered in the Program is available through another CGMI investment advisory program or by another financial services firm at a lower or higher cost;
- how much trading activity the client expects to take place in its account;
- whether the client wishes to invest in financial instruments other than ETFs and mutual funds, and which financial instruments are available in another investment advisory program;
- how much of the client's assets are expected to be allocated to cash;
- the frequency and type of client profiling reports, performance reporting and account reviews that are available in the Program; and
- the scope of ancillary services that may be available to the client through a brokerage account, but which are not available through the Program.

C. Additional Information Regarding Fees and Charges

In addition to the asset-based fees payable in connection with the Program, clients pay additional fees or charges in connection with their accounts or certain securities transactions. These may include (but are not limited to): exchange fees; transfer taxes; electronic fund and wire transfer fees; account transfer fees; lending fees and interest; charges imposed by custodians other than CGMI or Clearing Firm; certain fees in connection with custodial, trustee and other services rendered by a CGMI affiliate; termination fees with respect to IRAs; SEC fees on securities trades; other charges mandated by law; and certain fees in connection with the establishment, administration or termination of retirement or profit sharing plans or trust accounts. In addition, if CGMI is a member of the underwriting syndicate from which a security is purchased, CGMI will benefit from such purchase.

CGMI (either directly or through its affiliates) will from time to time negotiate with clearing firms, investment managers, or other service providers to achieve cost savings or other improved terms for services covered by a client's asset-based fee or other fees and charges. Any cost savings or other advantages achieved may differ by product line or distribution channel, and CGMI and its affiliates are under no obligation to pass along the savings or other benefits to clients. In such cases, only CGMI and/or one of its affiliates will benefit.

Clearing Firm does not charge CGMI for wire transfer services. CGMI charges clients of Citi Wealth \$25 per wire transfer. In addition, Clearing Firm charges CGMI \$25 for outgoing account transfer services, and CGMI marks up that amount by \$70 and charges clients \$95. CGMI's portion of these fees is intended to compensate CGMI for its part in providing the services and frequently constitutes a majority (or all) of CGMI's charge to the client for the service. Revenue from these services is not shared with registered representatives. The standard fee schedule for account services is posted at <https://www.citi.com/investorinfo/>. CGMI reserves the right to reduce or waive such fees in its sole discretion.

When a client invests in an ETF and/or mutual fund through the Program account, the client will pay its pro rata share of the ETF's and/or mutual fund's investment advisory fees and other expenses. These fees and expenses are payable to the ETF's and/or mutual fund's manager and other service providers (which service providers may be affiliated with CGMI). Fees and expenses charged by ETFs and mutual funds are in addition to the asset-based fee charged in the Program. Clients may purchase shares of some of the ETFs and/or mutual funds used in the Program directly from the ETFs and/or mutual funds, their agents, through CGMI or through one or more other broker-dealers without enrolling in the Program. Clients who invest in ETFs and/or mutual funds other than through the Program will not pay the asset-based Program fee in respect of such investments. Furthermore, CGMI or one of its affiliates may effect transactions for certain of the ETFs and/or mutual funds and other financial instruments (including money market mutual funds) in which clients invest and compensation paid to CGMI or such affiliate in connection with such transactions will be in addition to the asset-based fee charged through the Program. With respect to mutual funds included in the Models, clients in the Program will hold "Institutional" class shares that generally do not include certain fees and expenses associated with "retail" share classes.

In the event the Program Agreement is terminated by either party prior to the end of a billing period, a pro-rata fee will be charged. Generally, interest will be charged to a client's account should the account have a debit balance as a result of the client's activity. The "net equity" value of assets, calculated as total assets less debit balance, will be used for the purpose of calculating the asset-based fees payable in connection with the Program. When Clearing Firm has custody of the client's assets, it credits interest and dividends to the account.

Fee minimums and account minimums may vary as a result of the application of prior schedules depending upon the client account inception date.

D. Compensation

CGMI earns fees or other income for services other than investment advisory services, including, among other things, permitting qualifying clients to take out loans that are secured by the assets in the client's account (for more information, *see* "Item 9.A.2. – Advisory Account Lending"). These arrangements present conflicts of interest because CGMI and CGMI financial advisers have a financial incentive to offer clients non-advisory products and services to increase the overall compensation received. Program Advisors earn a salary and are not compensated based on the creation of a Plan or other incentives.

Based, among other things, on the potential for an increase in the use of CIM's services as a Model Provider, CGMI has an incentive to recommend CIM Models to clients. The Models, however, do not include ETFs or mutual funds that are sponsored and/or advised by CGMI or a CGMI affiliate. Clients should understand that retaining an affiliated manager to manage assets outside of the Program could allow them to negotiate the affiliated manager's fees directly with the affiliated manager and possibly obtain services at a lower cost than retaining the affiliated manager through the Program and paying the Program fee.

E. Incentives

From time to time, CGMI offers certain incentives for select clients or prospective clients to enroll in the Program. Such incentives include but are not be limited to discounts, annual asset-based fee

waiver(s) (limited, partial, or other), cash bonus payments, or other offers (“Incentive”). Incentives can be offered to limited groups of clients or prospective clients who CGMI determines, in its sole discretion, meet specific conditions of an offered Incentive. For example, Incentive conditions could include but not be limited to opening a new or specific account type with required funding, completing a financial plan with CGMI, responding to surveys, verified locations or residence, or continuous account maintenance for a specified time. Clients or prospective clients will not be offered or receive an Incentive to enroll in the Program unless CGMI expressly and directly offers the Incentive to the client or prospective client and CGMI determines, in its sole discretion, that the client or prospective client has met all the conditions of an offered Incentive. The specific terms of an Incentive will be described in the offer.

Item 5. Account Requirements and Types of Clients

The minimum initial and ongoing account balance for CWB is \$5,000 for the Index Models and \$10,000 for the Active Models and ESG Models. The minimum initial and ongoing account balance for CWB Plus is \$25,000 for all Models. These minimums may be reduced, increased or waived in CGMI’s sole discretion.

CGMI is authorized to freeze accounts under certain circumstances, including in connection with regulatory requirements and other special circumstances. Under appropriate circumstances, fees may continue to be charged on the frozen accounts. CGMI reserves the right to terminate the client’s Program Agreement upon notice to the client.

Item 6. Strategy Selection and Evaluation

A. Research in Advisory Programs

CGMI and the Model Provider use three primary methods – CitiFocus, CitiAccess and the FRAM– to evaluate the investment strategies on which the Models offered in the Program are based. In general, CitiFocus and the FRAM entail a more rigorous and thorough evaluation of a strategy than CitiAccess. The FRAM is used with all Models, and the ESG Models are subject to additional screening procedures.

ETFs in the ESG Models must meet the CitiFocus standard. ETFs in the Active Models and Index Models are evaluated in accordance with CGMI’s due diligence procedures, which key evaluation criteria for ETFs include market value of the ETF, presence of leverage, the ETF sponsor’s total assets under management, and the sponsor’s length of experience in managing ETFs.

Certain ETFs that do not meet these criteria may be approved subject to alternative procedures. In general, ETFs that either meet CGMI’s due diligence criteria or that do not meet the criteria but have been individually approved according to the alternative procedures are permitted to be included in the Program described herein.

CitiFocus

Under the CitiFocus standard, CGMI evaluates various qualitative and quantitative factors for each investment product offered through one of its advisory programs (each, a “Program Investment Product”), including, without limitation, biographies of key investment personnel, the investment

philosophy, investment process, the Form ADV applicable to the Program Investment Product's sponsor and/or investment manager, past performance information and marketing literature. For verification purposes, the review process may include a comparison of the Program Investment Product's reported performance with the performance of a cross-section of actual accounts as computed by Clearing Firm. On a case-by-case basis CGMI personnel will also interview the sponsor and/or investment manager and its key personnel and examine its operations. Program Investment Products are presented to CGMI's Traditional Investment Oversight Committee for approval and Program Investment Products that are approved under the CitiFocus standard are then included on the "CitiFocus List" for Programs.

A subset of Program Investment Products approved under the CitiFocus standard are identified as Investing with Purpose "IwP" CitiFocus Program Investment Products and included on the "IwP CitiFocus List." In order for a Program Investment Product to be included on the IwP CitiFocus List, CGMI evaluates whether the Program Investment Product meets one of the sustainability style classifications under the Global Wealth Management Sustainable Investing (IwP) Standard. CGMI's determination that a Program Investment Product satisfies minimum criteria under the IwP Standard is based on, among other things, the various qualitative and quantitative factors evaluated under the CitiFocus standard, the investment manager's responses to a sustainability related survey or supplemental research conducted by CGMI.

CGMI periodically reviews whether a Program Investment Product continues to meet the criteria for the CitiFocus standard. In conducting these reviews, CGMI considers a broad range of qualitative and quantitative factors including investment performance, staffing, operational issues and financial condition. Among other things, CGMI personnel interview each sponsor and/or investment manager periodically to discuss these matters. CGMI tends to emphasize quantitative analysis with respect to Program Investment Products with which CGMI has previously conducted personal interviews. In addition, in certain instances CGMI will review the collective performance of a composite of the CGMI accounts being sponsored or managed by a sponsor and/or investment manager, compare that information to the overall performance data provided by such sponsor and/or investment manager, and then investigate any material deviations.

CitiAccess

Under the CitiAccess standard, CGMI reviews Program Investment Products based on various quantitative factors. The Program Investment Products are evaluated according to various performance metrics, including absolute return, volatility, and risk-adjusted return, although not all Program Investment Products evaluated under the CitiAccess standard will be evaluated based on this rules-based approach.

When a Program Investment Product is evaluated under the rules-based approach, analysts review the completeness and consistency of the data and will, to the extent necessary, follow-up with the Program Investment Product's manager or sponsor with additional information requests. However, information provided by managers or sponsors of Program Investment Products in connection with the review process are not independently verified by CGMI. Program Investment Products that are approved under the CitiAccess standard are included on the "CitiAccess List." Program Investment Products that meet the CitiAccess standard are reviewed periodically by CGMI to evaluate whether they continue to meet CGMI's standard.

Forum for the Review and Approval of Managers (“FRAM”)

The FRAM selects a subset of investment managers and investment funds available for the Models. Investment products that are on the CitiFocus List are automatically approved by the FRAM for inclusion in its approved list for the Models. In addition, an investment product that meets the CitiFocus standard may be presented to the FRAM for its approval to be used in the Models even though the investment product is not on the CitiFocus List. As described below, CIM screens for additional factors in the case of the Models that integrate ESG criteria.

The investment managers and funds selected for the Models are unaffiliated with CGMI. The FRAM has developed various criteria that are used to screen unaffiliated portfolio managers and investment funds. These criteria are subject to change from time to time. Investment managers and funds that meet the FRAM standards are reviewed periodically by the FRAM to evaluate whether they continue to meet the FRAM standards.

ESG Models and ESG Screening

In the case of the ESG Models, CIM uses external and internal sources to identify ETFs which integrate ESG data into the ETF’s rules-based investment process. In order to optimize the efficiency and cost-effectiveness of the ESG Models, CIM further evaluates the resulting ETFs to select an appropriate eligible ETF within the investment universe. CIM qualitatively evaluates how ESG factors, such as a company’s carbon footprint, are assessed, evaluated, and integrated into the investment approach of the remaining ETFs within each specific asset class. The managers of the ETFs selected by CIM may not implement the same ESG screening methodology and the ESG factors considered are not standardized among managers. CIM may select an ETF for an ESG Model based on a particular ESG factor or factors, including with regard to a particular investment or investments held by an ETF.

Model Performance

CGMI does not use any industry standards, such as global investment performance standards (commonly referred to as “GIPS”), to calculate performance of the Models.

B. Additional Information

Risk of Loss

Investing in shares of ETFs and mutual funds involve risks in addition to those described above under Item 4.A. – “Risks Related to Investments in ETFs” and “Risks Related to Investments in Mutual Funds” that may result in losses to clients, including the potential loss of the principal amount invested. Such risks include, among others, losses caused by adverse market conditions, market volatility, limited liquidity and other market action.

Cybersecurity Risks

CGMI, its affiliates, service providers, and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. They rely on

computer programs to evaluate certain securities and other investments, to monitor their portfolios, to trade, clear and settle securities transactions, and to generate asset, risk management and other reports that are utilized in the oversight of their activities, among other things. In addition, certain of their operations interface with or depend on systems operated by third parties and they will not always be in a position to verify the risks or reliability of such third-party systems. These systems are susceptible to operational, informational security, and related risks that could adversely affect CGMI and the clients.

Cyber incidents can result from deliberate or unintentional events and may arise from external or internal sources. Like other financial services firms, CGMI experiences malicious cyber activity directed at its computer systems, software, networks and its users on a daily basis. This malicious activity includes attempts at unauthorized access, implantation of computer viruses or malware, and denial-of-service attacks. CGMI also experiences large volumes of phishing and other forms of social engineering attempted for the purpose of perpetrating fraud against CGMI, its associates, or its clients. Attacks also may be carried out by causing denial-of-service attacks on websites (making network services unavailable to intended users). Cyber incidents could cause disruptions and affect business operations, potentially resulting in financial losses, the inability to transact business or trade (including failure of trade settlements, inaccurate recording or processing of trades, inaccurate client records, inability to monitor investments and risks), destruction to equipment and systems, loss or theft of investor data, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation or liability costs, or additional compliance costs. Similar adverse consequences could result from cyber incidents affecting the investments in which the Programs invest, including those affecting other investment managers, issuers of securities and other interests, brokers, dealers, exchanges, and other financial institutions and market operators.

The increased use of mobile and cloud technologies, including as a result of the shift to work-from-home arrangements as a result of the COVID-19 pandemic has heightened these and other operational risks, and any failure by CGMI's mobile or cloud technology service providers to adequately safeguard the systems CGMI uses and prevent or quickly detect and remediate cyber attacks could disrupt CGMI's operations and result in misappropriation, corruption or loss of confidential or proprietary information.

Global and Regional Events Risks

Global and regional events such as war, terrorist attacks, political unrest, climate change, natural disasters, public health crises, and pandemics may cause substantial losses by, among other things: causing disruptions in global economic conditions; decreasing investor confidence; disrupting financial markets and the ability to conduct business activities; causing loss or displacement of employees; triggering large-scale technology failures or delays; and requiring substantial capital expenditures and operating expenses to remediate damage and restore operations.

Public health crises, pandemics and epidemics, such as those caused by new strains of viruses including, most recently, COVID-19, are expected to increase as international travel continues to rise. For example, COVID-19 adversely affected a wide variety of clients' investments, in material respects, by creating significant volatility in financial markets, interrupting business activities, supply chains and transactional activities, disrupting travel and negatively impacting the economies of affected countries, which include both developed and developing nations throughout the world. COVID-19 also resulted in particularly devastating consequences for certain industries, such as transportation, hospitality and entertainment. Defaults under financing agreements and breaches of commercial agreements between

issuers and their counterparties occurred as the pandemic continued. COVID-19 thus presented material uncertainty as to an issuer's ability to raise and deploy capital and presented material uncertainty as to investment performance.

Inflation in the U.S. could continue or reaccelerate in the near-to medium-term. Further, heightened competition for workers, supply chain issues and rising energy and commodity prices have contributed to increasing wages and other inputs. Higher inflation and rising costs present material uncertainty with respect to investment performance.

Current Russian military activities within Ukraine, resulting in international economic sanctions and other restrictive actions against Russia, and associated mounting tensions, are expected to result in material market volatility, have a materially negative impact on the economy and business activity globally, and therefore could materially adversely affect investment performance. Furthermore, the rapid and uncertain development of the current conflict between the two nations and the varying involvement of other countries, including the U.S. and other members of NATO, makes the ultimate adverse impact on global economic and market conditions difficult to predict. Any of the above factors, including sanctions, export controls, tariffs, trade wars and other governmental actions and impacts on the markets for certain commodities, such as oil and natural gas, present material uncertainty and risk and could have a material adverse effect on issuers of securities and their respective businesses, financial conditions, cash flows and results of operations and may cause the market value of such issuers to decline materially.

Financial Services Industry Risks

National and regional banks, financial institutions and other participants in the U.S. and global capital markets are closely interrelated as a result of credit, trading, clearing, technology and other relationships. A significant adverse development (such as a bank run, insolvency, bankruptcy or default) with one or more national or regional banks, financial institutions or other participants in the financial or capital markets may spread to others and lead to significant concentrated or market-wide problems (such as defaults, liquidity problems, impairment charges, additional bank runs and/or losses) for other participants in these markets. Future developments, including actions taken by the U.S. Department of the Treasury, FDIC, Federal Reserve Board, and systemic risk in the U.S. and global banking sectors and broader economies in general, are difficult to assess and quantify, and the form and magnitude of such developments or other actions of the U.S. Department of the Treasury, FDIC and Federal Reserve Board may remain unknown for significant periods of time and could have an adverse effect on investments.

For example, during 2023, in response to the rapidly declining financial condition of regional banks Silicon Valley Bank ("SVB") and Signature Bank ("Signature"), the California Department of Financial Protection and Innovation and the New York State Department of Financial Services closed SVB and Signature and the FDIC was appointed as receiver for SVB and Signature. In response, the Department of the Treasury, the Federal Reserve and the FDIC stated that all depositors of SVB and Signature would have access to all their deposits. In addition, UBS acquired Credit Suisse and New York Community Bank agreed to acquire a majority of the deposits and some of the loan portfolios from Signature and First Republic Bank was purchased by JPMorgan Chase after being seized by the FDIC. Although the U.S. Department of the Treasury, the Federal Reserve, the FDIC, the Swiss National Bank and other financial institutions undertook measures to stabilize the financial system,

uncertainty and liquidity concerns in the broader financial services industry could resurface, due in part to the current higher interest rate environment. Additionally, should there be additional systemic pressure on the financial system and capital markets, there is no assurance the response of any government, regulator or market participant will be as favorable to industry participants as the measures described above. Highly publicized issues related to the U.S. and global capital markets in the past have led to significant and widespread investor concerns and volatility. The events that occurred in 2023 may lead to further rules and regulations for banks, financial institutions and other participants in the U.S. and global capital markets, and complying with the requirements of any such rules or regulations may be burdensome. The recent bank closings gave rise to significant liquidity concerns in the broader financial services industry and market volatility. Liquidity problems in the financial services industry could have an adverse effect on investment returns.

No Review of Fund Performance Information

Neither CGMI, its affiliates nor any third-party reviews ETF or mutual fund performance information to determine or verify its accuracy or its compliance with industry standards.

Voting Client Securities

Each client shall retain exclusive responsibility for voting proxies related to investments held in its account. To the extent that CGMI receives any proxies and proxy soliciting and related materials, including interim reports, annual reports and other issuer mailings, CGMI will promptly send such materials to the client, and the client will have exclusive responsibility for taking any actions in relation thereto.

Item 7. Client Information Provided to Portfolio Managers

CGMI will utilize a client's completed Questionnaire and other client information for the purpose of facilitating CGMI's provision of investment advice through the Program. Through the Program's online access, clients can review and adjust their information, choices and objectives.

Item 8. Client Contact with Portfolio Managers

Clients generally will not be provided an opportunity to discuss their accounts with CIM. CWB Plus clients may contact a Program Advisor to update the information in their Questionnaire and Application.

Item 9. Additional Information

A.1. Disciplinary Information

Below are summaries of certain legal and disciplinary events that may be material to clients and prospective clients. Additional information about legal and disciplinary events is available in Item 11 of our Form ADV, Part 1A, available at www.adviserinfo.sec.gov.

FINRA Claims Related to Research and Investment Banking.

On November 20, 2014, CGMI entered into a settlement with FINRA. FINRA alleged that CGMI, during certain periods from 2010 through 2013, failed to supervise communication between its equity research analysts and clients, including to adequately supervise “idea dinners” hosted or attended by equity research analysts; to prevent disclosure of nonpublic research information in December 2012 by individuals employed by Citigroup Global Markets Taiwan Securities Co Ltd.; to adequately enforce its policies concerning communications by equity research analysts; and to have written supervisory procedures reasonably designed to ensure that its equity research analysts did not participate in investment banking road show presentations, and that an equity research analyst indirectly participated in investment banking road show presentations for two companies. Without admitting or denying the allegations, CGMI consented to a censure, a fine in the amount of \$15,000,000 and an undertaking to conduct a comprehensive review of the adequacy and implementation of its policies, procedures, and training.

FINRA and NYSE Claims Related to Prospectus Delivery.

On December 11, 2014, CGMI entered into a settlement with both FINRA and NYSE. FINRA and NYSE alleged that, from 2009 through April 2011, CGMI failed to deliver prospectuses to customers in connection with sales of certain exchange traded funds (“ETFs”); failed to design and implement an adequate supervisory system to achieve compliance with the securities laws, regulations, and rules governing ETF prospectus delivery; and failed to establish, maintain, and enforce supervisory control policies and procedures that tested and verified that its ETF prospectus delivery procedures were in compliance with applicable laws, regulations, and rules. Without admitting or denying the allegations, CGMI consented to a censure and a fine in the amount of \$3,000,000 (paid jointly to FINRA and NYSE).

SEC Claims Related to ASTA/MAT and Falcon Funds

On August 17, 2015, the SEC announced that Citigroup Alternative Investments LLC (“CAI”) and CGMI (collectively with CAI, the “Respondents”) agreed to a settlement of allegations that, in connection with the offer and sale of securities in two now-defunct hedge funds, (1) the Respondents willfully violated Sections 17(a)(2) and 17(a)(3) of the Securities Act of 1933 (“Securities Act”), (2) CGMI willfully violated Section 206(2) of the Investment Advisers Act of 1940 (“Advisers Act”), and (3) CAI willfully violated Section 206(4) of the Advisers Act and Rules 206(4)-7 and 206(4)-8 promulgated thereunder (the “Order”). The SEC alleged that the Respondents violated the law in misrepresenting the hedge funds’ risks and performance.

Without admitting or denying the findings contained in the Order, with the exception of the Commission’s jurisdiction over them and the subject matter of the proceedings, the Respondents agreed to the following sanctions: (a) Respondents to cease and desist from committing or causing any violations and any future violations of Sections 17(a)(2) and 17(a)(3) of the Securities Act, (b) CGMI to cease and desist from committing or causing any violations and any future violations of Section 206(2) of the Advisers Act, (c) CAI to cease and desist from committing or causing any violations and any future violations of Section 206(4) of the Advisers Act and Rules 206(4)-7 and 206(4)-8 promulgated thereunder, (d) Respondents to be censured, and (e) Respondents to pay disgorgement of \$139,950,239 and prejudgment interest of \$39,612,089.

SEC Claims Related to Surveillance of Principal Trading

On August 19, 2015, the SEC and CGMI entered into a settlement in which the SEC found, and CGMI neither admitted nor denied, that CGMI was in violation of Section 15(g) of the Securities Exchange Act of 1934 and Section 206(4) of the Advisers Act and Rule 206(4)-7 thereunder, in connection with CGMI's surveillance of principal trading against certain restricted trading lists and principal trading by an affiliated market maker Automated Trading Desk Financial Services LLC ("ATD") in managed accounts. The SEC found that CGMI failed to adopt and comply with adequate related policies and procedures.

Pursuant to the settlement, CGMI agreed to (1) cease and desist from certain conduct, (2) a censure, (3) pay a civil penalty of \$15 million and (4) comply with certain undertakings, including to continue to retain a consultant to conduct a comprehensive assessment of CGMI's trade surveillance program and order handling in relation to transactions for which CGMI acts as an investment adviser. In determining to accept the settlement offer, the SEC considered the cooperation of, and certain remedial measures undertaken by CGMI, including (a) voluntarily retaining a consultant to conduct a comprehensive review of CGMI's trade surveillance practices and to recommend improvements regarding CGMI's policies and procedures and (b) voluntarily paying \$2.5 million – representing ATD's total profits from the principal transactions – to the affected advisory client accounts.

SEC Claims Related to CitiFX Alpha Sold to MSSB Clients

On January 24, 2017, CGMI entered into a settlement with the SEC related to a foreign exchange trading program known as "CitiFX Alpha," which was sold to certain brokerage customers and advisory clients of Morgan Stanley Smith Barney LLC ("MSSB") during 2010 and 2011. At the time, CGMI held a 49% ownership interest in MSSB. The SEC alleged that CGMI omitted material information from investor presentations, including failure to disclose that a substantially higher leverage could be used than was disclosed and that mark-ups on trades would be charged, that caused the investors to suffer significant losses. Without admitting or denying the findings, CGMI agreed to cease and desist from violating Section 17(a)(2) of the Securities Act and pay disgorgement of \$624,458.27, prejudgment interest of \$89,277.34, and a civil money penalty of \$2,250,000.00.

TRAK Fund Solution Settlements

CGMI settled two matters relating to overcharges in certain advisory client accounts. The overcharges related primarily to the TRAK Fund Solution program, which CGMI offered between 1991 and 2011.

On January 26, 2017, the SEC issued an Order finding that CGMI violated various provisions of the Investment Advisers Act of 1940 by overcharging or causing to be overcharged approximately 60,000 advisory client accounts in the amount of \$18 million and by failing to keep proper books and records with respect to maintenance of client contracts. Those overcharges had, at the time of the Order, been reimbursed with interest, to the extent they could be identified. Pursuant to the Order, CGMI agreed to pay disgorgement and pre-judgment interest in the amount of \$4,000,000, pay a civil money penalty in the amount of \$14,300,000 and undertake certain reporting obligations to the SEC and remedial actions to the extent not already implemented. Copies of the Order can be obtained at www.sec.gov/litigation/admin/2017/34-79882.pdf or from your CGMI representative.

On January 12, 2017, the New York Attorney General's Office ("NYAG") and CGMI entered into a settlement in which the NYAG found that CGMI had violated the Martin Act and Executive Law § 63(12) by overcharging certain advisory client accounts. CGMI agreed to pay a monetary penalty in the amount of \$1,000,000 and undertake certain reporting obligations to the NYAG.

FINRA Claims Related to Research Ratings

On December 28, 2017, CGMI entered into a settlement with FINRA. As part of that settlement, FINRA alleged that for a period of time, CGMI displayed (both internally and externally) inaccurate research ratings for certain equity securities. FINRA alleged that this inaccuracy, which resulted from errors in the electronic feed of ratings data that the firm provided to its clearing firm, caused CGMI to display the wrong rating for some covered securities (e.g., "buy" instead of "sell"), display ratings for other securities that CGMI was not actively covering at the time, and not display ratings for securities that CGMI, in fact, rated. FINRA also alleged that CGMI failed to establish and maintain a supervisory system and written supervisory procedures designed to ensure the accurate and complete dissemination of research ratings. Without admitting or denying the allegations, CGMI consented to a censure, a fine of \$5.5 million, and an undertaking to pay compensation of at least \$6 million to customers who were solicited to purchase or sell securities affected by the ratings display issues.

A.2. Other Financial Industry Activities and Affiliations

Registrations

CGMI is registered as an investment adviser, broker-dealer and security-based swap dealer with the SEC, and is registered as a futures commission merchant and a swap dealer with the U.S. Commodity Futures Trading Commission ("CFTC"). Affiliates of CGMI are registered as investment advisers and broker-dealers with the SEC, as well as with the CFTC as commodity pool operators and/or commodity trading advisers. CGMI is a member of all principal securities and commodities exchanges in the United States and the Financial Industry Regulatory Authority ("FINRA"). In addition, CGMI holds memberships or associate memberships on several principal foreign securities and commodities exchanges.

Material Relationships or Arrangements With Certain Related Persons.

CGMI acts as a broker (i.e., agent) and as a dealer (i.e., principal) for corporate, institutional, governmental and private clients in the purchase and sale of a wide variety of securities and other investment products, including equity and debt securities traded on exchanges or in the over-the-counter market, mutual funds, money market instruments, government securities, high-yield bonds, municipal securities, financial futures contracts, and options. CGMI and its affiliates also act in a partnership capacity in a number of limited partnerships in which its clients may invest. As a futures commission merchant and swap dealer, CGMI also provides advice on commodities and commodity related products and deals in swaps and other derivative instruments. Below is a description of such relationships and some of the conflicts of interest that arise from them. CGMI has adopted policies and procedures reasonably designed to appropriately prevent, limit or mitigate conflicts of interest that may arise between CGMI and its affiliates. *See also* "Item 9.B.1-Code of Ethics, Participation or Interest in Client Transactions and Personal Trades" for additional information on conflicts of interest and related policies and procedures of CGMI.

CGMI provides a wide range of research services to its clients, including reports, analyses, charts, and graphs relating to various facets of the investment spectrum in equity and fixed income products. Research services generally are provided to clients on the assumption that the services will generate commission or other business for CGMI. However, certain research services are provided for a fixed fee and/or, in the case of firms that may re-sell such services, in exchange for royalties. Such so-called “hard-dollar” fees are generally negotiable.

Through its divisions, CGMI offers a wide variety of investment advisory services and investment advisory programs. CGMI’s investment advisory services are available to individuals, multi-family offices, corporations, trusts, endowments, foundations, charitable organizations, pension and profit sharing plans, other businesses, and governmental entities. The investment adviser affiliates of CGMI include, among others: Citi Global Alternatives, LLC; Citibank (Switzerland) A.G.; Citibank Canada Investment Funds Limited; Citigroup Alternative Investments LLC; Citigroup Global Markets Asia Limited, Cititrust (Bahamas) Ltd.; Cititrust (Cayman) Ltd.; Cititrust (Jersey) Ltd.; Citigroup First Investment Management Limited; and Citibank Europe PLC. Additional information about CGMI’s affiliates is disclosed in response to Item 7.A of CGMI’s Form ADV, Part 1A, available at www.adviserinfo.sec.gov.

Citigroup Life Agency LLC (“CLA”) is an affiliate of CGMI, through which CGMI representatives can function as insurance representatives to sell various insurance products. In California, CLA does business as Citigroup Life Insurance Agency, LLC (License Number 0G56746).

CGMI and its affiliates provide a variety of services for various clients, including issuers of securities that CGMI may recommend for purchase or sale by clients. CGMI performs a wide range of investment banking and other services for various clients, and CGMI client holdings will include the securities of issuers for whom CGMI performs investment banking and other services. For example, CGMI client holdings include ETFs where CGMI or its affiliates provide services as administrator, trustee and custodian. CGMI client holdings may also include securities in which CGMI makes a market or in which CGMI, its officers or employees have positions. CGMI and its affiliates receive compensation and fees in connection with the provision of the foregoing services. As part of an overall internal compliance program, CGMI has adopted policies and procedures imposing certain conditions and restrictions on transactions for CGMI’s own account or the accounts of its employees. Such policies and procedures are designed to prevent, among other things, any improper or abusive conduct when conflicts of interest may exist for a customer or client.

Advisory Account Lending

Bank Loans. Qualifying CPWM clients may take out bank loans from Citibank that may be secured by assets in the clients’ accounts. Clients can represent to Citibank how they intend to use the proceeds of the loans which may include purchasing securities other than securities in their accounts. These bank loans are separate relationships from an investment advisory relationship. Citibank may earn fees and other income for services provided in connection with the bank loans, which are in addition to the asset-based fee described herein. Before taking out a bank loan, the client should consider (i) the alternative of liquidating part of the account and (ii) the possibility that the return on the collateral may be lower than the interest paid on the bank loan (especially if the collateral is a low-producing asset class, such as a money market fund). The client should be aware that CGMI and Clearing Firm, acting on

instructions provided by Citibank, client's creditor, will have the authority to liquidate all or part of the account at any time to repay any portion of the bank loan, even if the timing of the liquidation may be disadvantageous to the client. Additionally, Citibank will have an interest in preserving the value of the collateral, which could be deemed to present a conflict of interest in connection with CGMI's management of the account. Bank loans taken out by Citi Wealth clients from Citibank generally are subject to the risks and conflicts of interest relating to the Citibank Lending Program, as further described in CGMI's Form ADV Part 2A for Investment Advisory Programs, which can be accessed here: <http://www.citi.com/investorinfo/advisoryprivacy/>.

Non-Purpose Loans through Clearing Firm. For accounts eligible to be used as collateral, CGMI, through Clearing Firm, also may permit qualifying CPWM clients to obtain loans on a non-purpose basis secured by the pledge of eligible cash, cash equivalents and marketable securities held in the client's account (such loans referred to as "Non-Purpose Loans"). A Non-Purpose Loan may be used for any purpose except to purchase securities or to refinance a loan that was used to purchase securities. Securities serving as Non-Purpose Loan collateral can only be sold or transferred from a client's CGMI account in accordance with the terms of the client's loan documents. These Non-Purpose Loans are separate relationships from an investment advisory relationship. CGMI earns fees and other income for services provided in connection with the Non-Purpose Loans, which are in addition to the asset-based fee that CGMI earns through the Program for managing the collateral securing the Non-Purpose Loans. As of the date of this Brochure and subject to change, CWB and CWB Plus accounts are not eligible to be used as collateral for Non-Purpose Loans.

Clients that obtain Non-Purpose Loans are charged an interest rate on the amount of money borrowed. The interest rate for clients and how the charge is calculated are described in the applicable loan documents and disclosures. The interest rate charged to CGMI by Pershing is based on the prevailing Overnight Bank Funding Rate plus 1.04%. CGMI causes Clearing Firm to mark up the interest rate charged to clients for Non-Purpose Loans and receives a portion of the interest charged on Non-Purpose Loans. The amount of the mark-up varies by client and historically is, up to, but not capped at, 3.75% of the total interest rate charged. Interest paid on these loans is shared between Pershing and CGMI as described above, and in certain circumstances, with registered representatives who receive a portion of, or credit for, interest paid. This additional income earned by CGMI and its registered representatives through Non-Purpose Loans represents a conflict of interest and creates a financial incentive to encourage brokerage customers to borrow against assets in Program accounts. It also incentivizes CGMI to continue to use Pershing as the clearing firm for the Programs. Before taking out a Non-Purpose Loan, the client should consider (i) the alternative of liquidating part of the account and (ii) the possibility that the investment return earned on the collateral can be lower than the interest paid on the Non-Purpose Loan (especially, if the collateral is a low-producing asset class). The client should be aware that CGMI or Clearing Firm, acting as client's creditor, will have the authority to liquidate all or part of the account at any time to repay any portion of the Non-Purpose Loan, even if the timing of the liquidation will be disadvantageous to the client. CGMI, through Clearing Firm, does not provide margin loans for managed accounts that may increase performance (with the resulting increased risk of loss) of a client's Program account. Additionally, CGMI will have an interest in preserving the value of the collateral, which will present a conflict of interest in connection with its management of the account. More detailed information about Non-Purpose Loans is provided to clients in the Regulation BI Disclosure Statement and Related Information for Retirement Accounts and is available at <https://www.citi.com/investorinfo/>.

Unaffiliated Lenders. CGMI customers also may obtain loans secured by the assets in their Program accounts from unaffiliated lenders. The terms and conditions of such loans are determined by the unaffiliated lender. To be used as collateral, assets held in a CGMI Program account must be subject to a control agreement among CGMI, the Clearing Firm, the borrower and the lender. The control agreement restricts the movement of the collateral. The collateral will remain restricted until the borrower and the lender instruct otherwise. You should be aware that CGMI and the Clearing Firm, acting on instructions provided by the lender, will have the authority to liquidate all or part of the account at any time to repay any portion of the loan, even if the timing of the liquidation will be disadvantageous to you. CGMI does not charge fees for its services under such a control agreement.

Acting as Adviser to Funds

CGMI affiliates act as an administrator for a wide range of open-end and closed-end investment companies registered under the Investment Company Act of 1940, as amended. CGMI affiliates serve as administrator, trustee and custodian to ETFs and mutual funds. CGMI affiliates also serve as investment advisers to a number of investment funds domiciled and sold outside the United States. In addition, CGMI affiliates act as investment adviser to unregistered investment funds (including hedge “fund of funds”).

BI. Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading

Employee Personal Trading and Fiduciary Code of Ethics

Employees and certain other persons who perform services that support the investment advisory business of CGMI are bound by the Personal Trading and Investment Policy (“PTIP Policy”) and the Fiduciary Code of Ethics (“Code of Ethics”). The Code of Ethics is designed to comply with applicable regulatory requirements including Rule 204A-1.

Both the PTIP Policy and the Code of Ethics govern the trading of employees who support the investment advisory business of CGMI and the family members’ or related persons’ accounts over which the employee has investment discretion.

Certain representatives within CGMI are considered covered persons under the PTIP Policy. The PTIP Policy governs the manner in which covered persons’ trading account information is made available to the firm’s compliance department and defines instances where pre-clearance or supervisory pre-approval may be appropriate. Covered persons are subject to a number of restrictions including: 1) prohibition on conduct of personal trades in securities for which they are in possession of material, non-public information; 2) prohibition on securities noted on the firm’s restricted list; and 3) prohibition on trading in securities where new and material research has been published. Other restrictions exist with respect to “new issue”/public offerings and trading of Citigroup shares.

Covered persons are further prohibited from engaging in market timing strategies with respect to mutual fund transactions in covered accounts.

Certain supervisory staff are responsible for reviewing all personal trading activity of their covered employees for indications of improper trading activity and insider trading.

When CGMI personnel purchase or sell certain securities for their own accounts on the same day that transactions in these securities are effected for client accounts, the price paid or realized by advisory personnel generally may not be more advantageous than the price at which the client transactions are effected. If orders by CGMI personnel are part of a batched client order and the entire block of securities is then not executed on the same day, no part of the order executed is permitted to be allocated to any advisory personnel.

The Code of Ethics describes the standards of business conduct for CGMI's investment advisory business, including the fiduciary obligations owed to clients and the obligation to comply with applicable laws. The Code of Ethics incorporates and is supplemented by other Citi policies and procedures, including policies and procedures designed to protect the flow of material non-public information and the confidentiality of client information and those imposing personal trading and investment restrictions, maintenance of personal securities trading accounts at CGMI, and reporting of personal securities holdings and transactions. The purposes of the Code of Ethics and the related policies and procedures include minimizing conflicts of interest between employees and investment advisory clients and assuring compliance with applicable laws and regulations. Each person covered under the Code of Ethics receives a copy of the Code of Ethics upon being designated as a covered person and annually thereafter. They must sign an attestation that indicates that they have read and understand such Code of Ethics. In conjunction with this attestation, all covered persons are required to report any violation or potential violation of which they might become aware.

A copy of CGMI's Code of Ethics will be provided to any client or prospective client who mails a written request to:

Citigroup Global Markets Inc.
750 Washington Blvd., 8th Floor
Stamford CT 06901

Attention: Dana L. Platt, Chief Compliance Officer, Citigroup Global Markets Inc., Investment Adviser

Participation and Interest in Client Transactions

CGMI and its affiliates could recommend securities in which they directly or indirectly have a financial interest and can also buy and sell securities that are recommended to clients for purchase and sale. They also provide advice and take action in the performance of their duties to clients which differs from advice given, or the timing and nature of action taken, for other clients' accounts. Moreover, CGMI or any of its affiliates advise or take action for itself or themselves differently than for clients. In addition, CGMI, its affiliates, and their employees, including CGMI financial advisers, invest in the Program.

From time to time, CGMI imposes restrictions to address the potential for self-dealing by CGMI and conflicts of interest that may arise in connection with CGMI's broker-dealer and investment banking businesses. CGMI has adopted various procedures to guard against insider trading that include an "Information Barrier" procedure, pursuant to which information known within one area of CGMI (e.g., investment banking) is not permitted to be distributed to other areas (e.g., investment advisory), and use of a restricted list and various other monitoring lists. These investment banking or other activities may from time to time compel CGMI or its affiliates to forgo trading in the securities of companies with which these relationships exist. This can adversely impact the investment performance of a client's account.

Principal Transactions

CGMI generally does not act as principal in executing trades in connection with the Program. Clients should be aware that in some cases it may be disadvantageous not to trade on a principal basis with CGMI to the extent that CGMI otherwise would provide a price more favorable than the price available from an unaffiliated dealer or have inventory for sale not available through an unaffiliated dealer.

Agency Cross Transactions

Agency cross transactions (i.e., transactions in which CGMI acts as broker for the parties on both sides of the transaction) may be effected for customer accounts to the extent permitted by law. CGMI may receive compensation from parties on both sides of such transactions (the amount of which may vary) and in that case, CGMI will have a conflicting division of loyalties and responsibilities. Any compensation CGMI receives in connection with agency cross transactions will be in addition to the asset-based fee that the client pays CGMI for its participation in the Program. In the Program Agreement, clients consent to and authorize CGMI to engage in agency-cross transactions for the client's account, except where prohibited by law. Client consent to agency cross transactions may be revoked at any time by written notice to CGMI.

B2. Review of Accounts

Accounts are generally monitored on an on-going basis by CGMI and are subject to supervision (either by the branch or a supervisory principal). CGMI's review of accounts includes a review of each purchase or sale, as well as monthly position reports.

B3. Client Referrals and Other Compensation

Compensation from Funds

Clients invested in mutual funds in the Program will acquire "Institutional" class shares of such funds that do not pay many of the fees and expenses typically associated with "retail" share classes. At the same time, certain mutual funds available through the Program provide, and such mutual funds' affiliates provide, compensation to CGMI or its affiliates in the form of 12b-1 or distribution fees, management fees, administrative fees, transfer agency fees, revenue sharing compensation, record keeping fees, shareholder servicing fees or any other fund related fees.

CGMI or its affiliates will not seek or retain any compensation from participating mutual funds and will credit the client's account in the amount of any such compensation as soon as possible after receipt by CGMI or its affiliates. Any compensation credited to a client's account, including retirement accounts, will be treated as additional income and reported as such.

Where Citibank, as the custodian of a client's mutual fund investments held outside of a Program, receives shareholder service fees, recordkeeping services fees, sub-transfer agency or similar fees from participating mutual funds, Citibank will retain such fees.

Where Clearing Firm, as the custodian of a client's mutual fund investments, receives shareholder service fees, recordkeeping services fees, sub-transfer agency or similar fees from participating mutual funds, Clearing Firm will retain such fees.

Payment for Order Flow

SEC rules require broker-dealers to disclose upon opening a new customer account and on an annual basis thereafter: (i) their policies regarding payment for order flow, including a statement as to whether any payment for order flow is received for routing customer orders and a detailed description of the nature of the compensation received, and (ii) their policies for determining, in the absence of specific customer instructions, where to route customer orders that are the subject of payment for order flow, including a description of the extent to which orders can be executed at prices superior to the National Best Bid / Offer.

CGMI has entered into certain arrangements with Clearing Firm to route most retail customer orders in equity securities, fixed income securities and exchange-traded options to Clearing Firm. CGMI does not receive payment for order flow for these orders. As discussed above, however, CGMI receives financial benefits from its relationship with Clearing Firm.

CGMI and Affiliates Maintain Business Relationships with Companies that May Be Selected or Recommended for Client's Portfolio

CGMI and its affiliates provide a variety of services for various clients, including issuers of securities that CGMI may recommend for purchase or sale by clients. CGMI performs a wide range of investment banking and other services for various clients, and it is likely that CGMI client holdings will include the securities of issuers for whom CGMI performs investment banking and other services. For example, CGMI client holdings include ETFs for which CGMI's affiliate provides services as administrator, trustee and custodian. CGMI and its affiliates receive compensation and fees in connection with the provision of the foregoing services. As part of an overall internal compliance program, CGMI has adopted policies and procedures imposing certain conditions and restrictions on transactions for CGMI's own account or the accounts of its employees. Such policies and procedures are designed to prevent, among other things, any improper or abusive conduct when conflicts of interest may exist with a customer or client.

CGMI can use client lists when soliciting new clients provided that the existing clients included on such lists have not expressly requested confidentiality, whether in a contract or by written or oral request.

B4. Financial Information

CGMI does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, CGMI has not included a balance sheet for its most recent fiscal year. CGMI is not aware of any financial condition that is reasonably likely to impair its ability meet its contractual commitments to clients, nor has CGMI been the subject of a bankruptcy petition at any time during the past ten years.

B5. Other Information

CGMI has adopted an error policy aimed at ensuring the prompt and proper detection, reporting and correction of errors involving the accounts of CGMI clients. A trade error is deemed to have occurred when CGMI has: (i) purchased or sold an incorrect financial instrument in a client account; (ii) purchased or sold an incorrect amount of a financial instrument in a client account; (iii) purchased or sold an unauthorized or client restricted security in a client account; (iv) not entered an order for a client account that should have been entered; (v) entered an order for a client account more than once when it should have been entered once (duplicate trade); (vi) misallocated a trade in one or multiple client accounts; or (vii) made an operational mistake that requires market action to correct. The requirements of the error policy apply to the extent that CGMI and/or its affiliates has control of resolving errors for client accounts.

To correct a trading error, CGMI generally effects a trade with a client using an error account in order to place the client in the position the client would have been in if the error had not occurred. CGMI will receive no additional compensation and no other benefits from such trade. Gains from trading errors corrected after settlement date are not retained by CGMI and are credited to the client's account at no expense to the client. Losses arising from pre-or post-settlement error corrections are closed out at no expense to the client. Losses arising from post-settlement error corrections in retirement accounts are credited to the client's account with interest at the federal tax penalty rate.

If a particular security is erroneously purchased for a client account and the error is discovered prior to settlement of the transaction, then the erroneously purchased security may be transferred to a separate CGMI error account at no cost to the client. Gains from trading errors that are corrected prior to settlement date are credited against losses resulting from errors on a quarterly basis. At the end of each quarter, net gains, if any, from trading errors that are corrected prior to settlement are remitted as a donation to a charity.