




Part of  BNY MELLON

NEWTON INVESTMENT MANAGEMENT LIMITED

FORM ADV PART 2A

(as of March 31st, 2024)

Newton Investment Management Limited
BNY Mellon Centre
160 Queen Victoria Street
London EC4V 4LA
United Kingdom

This brochure (“Brochure”) provides information about the qualifications and business practices of Newton Investment Management Limited (“Newton”, “the Firm”, “we” or “us”). If you have any questions about the contents of this Brochure, please contact us at +44 20 7163 9000. 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.

The Firm is registered as an investment adviser with the SEC. Registration with the SEC does not imply that the investment adviser has any particular level of skill or training.

Additional information about Newton Investment Management Limited also is available on the SEC’s website at www.adviserinfo.sec.gov.

ITEM 2. SUMMARY OF MATERIAL CHANGES

There have been no material changes to this Brochure since the last annual update on 31st March 2023.

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ITEM 4. ADVISORY BUSINESS

DISCRETIONARY – INVESTMENT MANAGEMENT/ADVICE

BACKGROUND

The Firm was incorporated on 6 June 1978 with Reed Stenhouse, a Scottish insurance broker. Following Alexander & Alexander's acquisition of the company in 1986, the company was reorganized and renamed Newton Investment Management. Newton's management bought out the Alexander & Alexander stake in 1992 and in November 1994 acquired the Capital House group of companies from the Royal Bank of Scotland plc (RBS), with RBS purchasing a 33% interest in the company. Newton became a subsidiary of BNY Mellon on July 23 1998.

The Firm is authorized and regulated in the United Kingdom by the Financial Conduct Authority ("FCA") and has both U.S. and non-U.S. clients. On August 27 1992 Newton Investment Management (North America) Limited ("Newton North America Limited"), an affiliate of the Firm, became registered in the United States with the Securities and Exchange Commission ("SEC") as an investment adviser. On December 31st 2019, Newton North America Limited transferred its entire investment advisory business to Newton and Newton succeeded its registration status as an investment adviser with the SEC. Please note that this registration does not imply a particular level of skill or training on the part of the Firm.

The Firm is part of the group of affiliated global companies that individually or collectively provide investment advisory services under the Newton or Newton Investment Management brand (collectively "Newton" or "Newton Group").

The Newton Group currently includes:

- Newton Investment Management North America LLC ("NIMNA LLC"), and;
- Newton Investment Management Japan Limited ("NIMJ").

NIMNA LLC was established in 2021 and incorporates the equity and multi-asset teams from an affiliate, Mellon Investments Corporation, and NIMJ was established in March 2023 and incorporates the Japanese equity management division of an affiliate, BNY Mellon Investment Management Japan Limited. Unless otherwise stated, the information within this Form ADV is limited to Newton Investment Management Limited.

ADVISORY BUSINESS

The Firm is an investment adviser registered with the SEC pursuant to the Investment Advisers Act of 1940. The Firm provides investment advisory services to institutional clients including U.S. and non-U.S. clients. In providing advisory services to non-U.S. clients, we are subject to additional non-U.S. regulation in the United Kingdom and currently rely on certain exemptions from registration in Canada and Australia. We provide discretionary and non-discretionary investment advisory services to institutional investors in the form of separate accounts, act as sub-adviser to registered investment companies, UCITS funds, private funds, and other commingled vehicles, including collective investment funds that are offered or maintained by The Bank of New York Mellon and its affiliates, and to other investment advisers through sub-advisory agreements.

For separate accounts, We offer investment advisory services tailored to meet clients' individual investment goals. We work with clients to create investment guidelines mutually acceptable to the client and the Firm. When creating investment guidelines, clients are able to impose investment restrictions on certain individual securities or types of securities. Clients who impose investment restrictions are advised that such restrictions can limit our ability to employ a particular strategy and can potentially result in investment performance that differs from the intended strategy and from other accounts that have not imposed such restrictions. The strategies in which we may invest client assets are described in Item 8 and the fees we receive for managing such strategies are described in Items 5 and 6.

Certain Newton employees are also officers of one or more Firm affiliates ("dual officers"). If consistent with a client's investment objectives and otherwise suitable, we invest client assets in collective investment funds for which The Bank of New York Mellon, an affiliated New York chartered bank (the "Bank") serves as trustee and account custodian. We also manage assets of collective investment funds as a sub-adviser appointed by the Bank. The collective investment funds are further described in Schedule A(s) of the applicable collective investment fund plan documents, which are



available upon request. *Please also see Item 10 for more information on our dual officer/employee arrangements (Dual Officers and Employees).*

MANAGED ACCOUNT/WRAP FEE PROGRAMS

The Firm serves as a non-discretionary sub-adviser in connection with managed account/wrap-fee programs. Newton currently has two contracted arrangements with affiliates, as sub-adviser, they are with:

- BNY Mellon Securities Corporation ("BNYMSC") and
- Bank of New York Mellon Corporation Wealth Management ("BNYMW")

A client in a wrap fee program ("wrap fee program") typically receives professional investment management of account assets through one or more investment advisers participating in the wrap fee program and also receives trade execution, custodial, performance monitoring and reporting services or some combination of these or other services for a single, all-inclusive (or "wrap") fee charged by the program sponsor and based on the value of the client's account assets. The program sponsor typically assists the client in defining the client's investment objectives based on information provided by the client, aids in the selection of one or more investment managers to manage the client's account and periodically contacts the client to ascertain whether or not there have been any changes in the client's financial circumstances or objectives that warrant a change in the arrangement or the manner in which the clients assets are managed.

Under these wrap fee program arrangements, our affiliate enters into an agreement with the program sponsor/manager. The program sponsor/manager then delegates responsibility for investment recommendations to us. The primary manager under the program retains ultimate decision-making responsibility for determining which securities are to be purchased or sold for client accounts and for implementation of such decisions pursuant to the agreement entered into with the program sponsor/manager. In such cases, our recommendations are implemented subject only to differences resulting from individual investment guidelines or restrictions, tax harvesting or other needs of the particular program client. We do not act as a program sponsor, nor do we conduct physical trading for any of these programs. We receive a portion of the allocated wrap fee for the services provided.

When we provide investment recommendations in connection with a wrap fee program, we do not negotiate on the client's behalf brokerage commissions or other costs for the execution of transactions in the client's account. Instead, in most instances transactions are executed through the program sponsor or through the program sponsor's designated affiliate given that execution costs for agency transactions typically are included in the all-inclusive fee charged by the program sponsor. Most program agreements, however, provide that other broker-dealers can be selected to execute trades if deemed appropriate to achieve best execution. If a broker-dealer other than the program sponsor or the program sponsor's designated affiliate is selected to effect a trade for a client's account, any execution costs charged by that other broker-dealer typically are charged separately to the client's account. Accordingly, clients who elect to participate in wrap fee programs should satisfy themselves that the program sponsor is able to provide best execution for transactions.

In evaluating a wrap fee program, clients should consider a number of factors. A client may be able to obtain some or all of the services available through a particular program on an "unbundled" basis through the program sponsor or through other firms and, depending on the circumstances, the aggregate of any separately paid fees may be lower (or higher) than the single, all-inclusive fee charged in the program. Payment of an asset-based fee can potentially produce accounting, bookkeeping or income tax results that differ from those resulting from the separate payment of (i) securities commissions and other execution costs on a trade-by-trade basis and (ii) advisory fees. Any securities or other assets used to establish a program account can be sold, and the client will be responsible for payment of any taxes due. The Firm recommends that each client consult with his or her tax adviser or accountant regarding the tax treatment of wrap fee program accounts.

Wrap fee clients participating in wrap fee programs typically receive a disclosure brochure from the program sponsor detailing the wrap fee program prior to their selection of an investment strategy, which includes a description of the services provided by the program sponsor and the applicable fee schedule. The fees and features of each wrap fee program vary and therefore wrap fee program clients should consult the program sponsor's brochure for the fees and features applicable to their program. We do not act as a program sponsor of any wrap fee program. Program sponsors, however, obtain brokerage, clearing and other wrap fee program services from affiliates of ours, including BNYMSC and BNYMW.



OWNERSHIP AND ASSETS UNDER MANAGEMENT

Our ownership structure includes: BNY Mellon Corporation, BNY Mellon IHC, LLC, MBC Investments Corporation, BNY Mellon Investment Management (Jersey) Limited, BNY Mellon Investment Management Europe Holdings Limited, BNY Mellon International Asset Management Group Limited and Newton Management Limited. Newton Management Limited owns 100% of the Firm. As of December 31st 2023 the Firm had total assets under management of \$45,253,888,211. This figure comprised of:

\$45, 249,123,033 managed on a discretionary basis;

\$4,765,177 managed on a non-discretionary basis.

CLASS ACTIONS

Class Actions; Litigation: It is our policy that we do not advise, initiate or take any other action on behalf of clients relating to securities held in the client's account managed by us in any legal proceeding (including, without limitation, class actions, class action settlements and bankruptcies). The Firm does not file proofs of claims relating to securities held in the client's account and does not notify the client or the client's custodian of class action settlements or bankruptcies relating in any way to such account. Typically, custodians submit filings in connection with class action settlements and handle bankruptcy filings. Each client should consult with its custodian and other service providers to ensure such coverage.

ITEM 5. FEES AND COMPENSATION

SEPARATE ACCOUNTS AND SUB-ADVISORY

We provide investment advisory separate account services for a fee. This fee is typically charged as a percentage of assets under our management. Although this fee is typically expressed as an annual percentage, it is calculated quarterly based on closing net assets at each quarter end. We calculate each quarter as 90 days divided by 360 days but can adjust to the exact number of days where there are large investments, disinvestments, terminations or new fees in the period. A client's investment advisory agreement in most instances provides that the client will incur fees and expenses in addition to our advisory fees such as custody, brokerage and other transaction costs, administrative and other expenses. Examples of other costs and expenses include mark-ups, mark-downs and other amounts included in the price of a security, odd-lot differentials, transfer taxes, wire transfer fees and electronic fund fees. Clients are encouraged to carefully review their investment advisory agreements with us for further information on how we report on the effect of costs and charges, and how we charge and collect fees. Please see Item 12 of this Brochure for more information on our brokerage practices.

We reserve the right, at our sole discretion, to negotiate or modify (either up or down) the fee schedule(s) below for any client due to a variety of factors, including but not limited to the level of reporting and administrative operations required to service an account; the investment strategy or style; the number of portfolios or accounts involved; and/or the number and types of services provided to the client. Because our fees are negotiable, the fee paid by any client or group of clients in many instances differs from the fees set out in our standard fee schedule(s) set forth below.

The Firm's standard fees are as follows:

Institutional separate account – Concentrated global equity, global equity income, sustainable global equity income and international equity income strategies

- 0.650% per annum on the first \$100m
- 0.50% per annum on the next \$150m
- 0.40% per annum thereafter

Institutional separate account – Global equity, sustainable global equity, international equity, sustainable international equity, sustainable US equity, future food, future life and future earth strategies

- 0.60% per annum on the first \$100m
- 0.50% per annum on the next \$150m
- 0.40% per annum thereafter

Institutional separate account – Global emerging market equity and sustainable global emerging market equity strategies

- 0.75% per annum on the first \$100m
- 0.60% per annum on the next \$150m
- 0.50% per annum thereafter

Institutional separate account – Global bond strategy

- 0.28% per annum on the first \$100m
- 0.20% per annum on the next \$150m
- 0.15% per annum thereafter

Institutional separate account – Global dynamic bond, sustainable global dynamic bond and global dynamic bond income strategies

- 0.35% per annum on the first \$100m
- 0.30% per annum on the next \$150m
- 0.20% per annum thereafter

Institutional separate account – Global real return and sustainable global real return strategies

- Stepped fee rate
- 0.75% below \$65m
- 0.65% (on all assets) when AUM is between \$65m to \$130m
- 0.60% (on all assets) when AUM is between \$130m to \$260m
- 0.55% (on all assets) when AUM is between \$260m to \$390m
- 0.50% (on all assets) when AUM is in excess of \$390m

Please note: Global real return separate accounts are subject to a minimum level of assets under management (“AUM”), details of which are available upon request.


Where suitable and otherwise appropriate, we invest client assets in pooled investment vehicles that could be managed by us, an affiliate or an external party, (such as exchange traded funds, funds of funds, unit trusts etc.) that themselves charge advisory fees and operational expenses such as transfer agent, distribution, shareholder servicing, networking, and recordkeeping fees. If a client is invested in any such pooled investment vehicle, you will indirectly assume these fees and expenses and, as a result, you will pay higher expenses than if you invested directly in the securities held by the pooled investment vehicle.

A majority of our fees are based on valuations provided by clients’ custodians or pooled investment vehicles’ administrators. Generally, we do not price securities or other assets for purposes of determining fees. From time to time, however, and only to the extent permitted by applicable law (including ERISA), we or one of our affiliates are called upon either to value, or to participate in the valuation process concerning, securities held in client accounts or pooled investment vehicles that we advise, generally only to the extent that market price for the security is not readily available, or where we or our affiliate have reason to believe that the market price is unreliable. We have a conflict of interest in situations where we are involved in the determination of the valuation of an investment because we can benefit by receiving a fee based on the impact, if any, of the increased value of assets in the account. We mitigate any such conflict by requiring, to the extent practicable, pricing from an independent third-party pricing vendor. If vendor pricing is unavailable, we then look to other observable inputs for the valuations including broker-dealers, index providers, and, if applicable, fair value pricing committees of affiliated mutual fund entities. In the event that a vendor price or other observable inputs are unavailable or deemed unreliable, we have established a Pricing and Valuation Oversight Group to make a reasonable determination of a security’s fair value.

Sub-Advisory Fees

The Firm also serves as adviser or sub-adviser to investment companies, managed accounts, pooled investment vehicles or other entities or investment vehicles that are unaffiliated with the Firm. We also act as a sub-adviser to certain BNY Mellon Investment Adviser, Inc. funds or other affiliates’ funds. For these investment advisory and/or sub-advisory services, the Firm receives compensation based upon a percentage of assets under management.



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ITEM 6. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

PERFORMANCE-BASED FEES

We have entered into performance-based fee arrangements with institutional clients investing in both separate accounts and pooled investment vehicles. Most of these arrangements provide for an asset-based management fee, based on the market value of the account at specified quarter ends, together with a performance fee based on the portfolio's gross or net return in excess of a specified benchmark during a designated period of time. The performance-based bonus element is based typically (but not always) on the portfolio return relative to a market or index return.

Performance-based fees are negotiated with each client and the terms vary. For more detailed information on how performance fees are calculated, clients should refer to their investment advisory agreement.

The Firm has experience in managing portfolios with both performance-based fees and non-performance-based fee arrangements, against the MSCI and FTSE indices, as well as peer-group universes, fixed-weight geographic benchmarks and cash-plus benchmarks.

Concentrated global equity, emerging market equity and sustainable emerging market equity strategies performance-based pricing is available upon request.

Typically all other equity and multi-asset relative return strategies offer the following performance based fees:

Base Fee:

- 0.25% per annum on the first \$100m
- 0.20% per annum thereafter
- plus 20% performance bonus

The base fee is payable regardless of performance and is subject to a minimum fee of \$125,000 per annum (\$250,000 per annum for the global equity income strategy). The performance bonus is calculated on individual 12-month performance periods as 20% of the monetary value of the outperformance of the benchmark payable in equal instalments over four years. There is an equal and opposite calculation for underperformance which is then offset against any past or future performance bonuses due.

Global real return strategy and sustainable global real return strategy (offered on assets greater than \$65m)

Base Stepped Fee:

- 0.65% (on all assets) when AUM is between \$65m to \$130m
- 0.60% (on all assets) when AUM is between \$130m to \$260m
- 0.55% (on all assets) when AUM is between \$260m to \$390m
- 0.50% (on all assets) when AUM is in excess of \$390m

For the first 2 years, the base fee is charged. From 2 1/4 years onwards, the quarterly fee is calculated based upon since inception performance versus the Sterling Overnight Index Average ("SONIA") (or successor) in a linear manner.

The quarterly fee will be in the range of 50% to 150% of base fee and is calculated on a pro rata basis as follows: every 1% over SONIA earns another 12.5% of the base fee and an equal and opposite calculation is used for every 1% under SONIA.

For example, actual performance of:

- SONIA +4% per annum equals 100% of stepped base fee rate
- SONIA +8% per annum equals 150% of stepped base fee rate and
- SONIA +0% per annum equals 50% of stepped base fee rate

Global dynamic bond strategy / sustainable global dynamic bond strategy

Base Ad Valorem (AV) fee: 0.35% pa

For the first 2 years, the base fee is charged. From 2 1/4 years onwards, the quarterly fee is calculated based upon since inception performance versus SONIA (or successor) in a linear manner. The quarterly fee will be in the range of 50% to 150% of base fee and is calculated on a pro rata basis as follows: every 1% over SONIA earns another 25% of the base fee and an equal and opposite calculation is used for every 1% under SONIA.

For example, actual performance of:

- SONIA +2% per annum equals 100% of base ad valorem rate
- SONIA +4% per annum equals 150% of base ad valorem rate and
- SONIA +0% per annum equals 50% of the base ad valorem rate

Global dynamic bond income strategy / sustainable global dynamic bond income strategy

Base Ad Valorem (AV) fee: 0.35% pa

For the first 2 years, the base fee is charged. From 2 1/4 years onwards, the quarterly fee is calculated based upon since inception performance versus SONIA (or successor) in a linear manner. The quarterly fee will be in the range of 50% to 150% of base fee and is calculated on a pro rata basis as follows: every 1% over SONIA earns another 18.75% of the base fee and an equal and opposite calculation is used for every 1% under SONIA.

For example, actual performance of:

- SONIA +3% per annum equals 100% of base ad valorem rate
- SONIA +6% per annum equals 150% of base ad valorem rate and
- SONIA+0% per annum equals 50% of the base ad valorem rate

Global bond strategy (assets greater than \$50m)

Base Fee:

- 0.10% per annum on all assets
- plus 20% performance bonus

The base fee is payable regardless of performance and is subject to a minimum fee of \$50,000 per annum. The performance bonus is calculated on individual 12-month performance periods as 20% of the monetary value of the outperformance of the benchmark payable in equal instalments over four years. There is an equal and opposite calculation for underperformance which is then offset against any past or future performance bonuses due.

SIDE-BY-SIDE MANAGEMENT

“Side-by-side management” refers to the Firm’s simultaneous management of multiple types of client accounts/investment products. For example, we manage numerous accounts at the same time including separate accounts and pooled investment vehicles. These clients have a variety of investment objectives, policies, strategies, limitations and restrictions. Our affiliates likewise manage a variety of separate accounts, managed accounts, and pooled investment vehicles.

Side-by-side management gives rise to a variety of potential and actual conflicts of interest for us, our employees, supervised persons and our clients. Below we discuss the conflicts that we and our employees and supervised persons face when engaging in side-by-side management and the steps we take to mitigate them. Note that certain of our employees are also officers or employees of one or more of our affiliates (“dual officers”). Please see Item 10 for more information on our dual officer arrangements. When we and our affiliates concurrently manage client accounts/investment products, and particularly where dual officers are involved, this presents the same conflicts described below.

CONFLICTS OF INTEREST RELATING TO SIDE-BY-SIDE MANAGEMENT OF DISCRETIONARY AND NON-DISCRETIONARY ACCOUNTS

As mentioned above, we and our affiliates manage numerous accounts at the same time, including separate accounts and pooled investment vehicles. Our clients and investors in our pooled vehicles have a variety of investment objectives, policies, strategies, limitations and restrictions. The side-by-side management of these accounts can raise potential conflicts of interest relating to the allocation of investment opportunities and the aggregation and allocation of trades. Moreover, while the portfolio managers generally only manage accounts with similar investment strategies, it is possible, due to varying investment restrictions among accounts, or for other reasons, that certain investments could be made for some accounts and not others.

In limited circumstances, we provide third parties with non-discretionary advisory services referencing the same model portfolio used to manage certain discretionary clients’ accounts. In those cases where we are implementing the model results for only a portion of the assets affected (for example, the portion of the assets over which we have discretionary authority) and therefore cannot apply our internal trade allocation procedures to all of the assets to be affected, we will, where appropriate (i) use reasonable efforts to agree on procedures with such non-discretionary clients designed to prevent one group of clients from receiving preferential trading treatment over another group; or (ii) determine that, given the nature of the assets to be traded or the market on which they are traded, no client would likely be adversely affected if such procedures are not established.

To address these conflicts of interest, we manage our accounts consistent with applicable laws, and we follow policies and procedures that are reasonably designed to treat our clients fairly, that clients have equal access to investment opportunities, and to prevent any client or group of clients from being systematically favored or disadvantaged. For example, we have Trade Allocation Policies and Procedures which are designed and implemented to ensure that all clients are treated fairly and equally, and to prevent any such conflicts from influencing the allocation of investment opportunities among clients. *Please see Item 12 for an explanation of our Trade Allocation Policies and Procedures.*

CONFLICTS OF INTEREST RELATING TO PERFORMANCE BASED FEES WHEN ENGAGING IN SIDE-BY-SIDE MANAGEMENT

We and our affiliates manage accounts that are charged a performance-based fee. We also manage accounts that only are charged for example, a flat asset-based fee. These different arrangements present a conflict of interest because we have a financial incentive to favor accounts with performance-based fees because we (and our employees and supervised persons) have an opportunity to earn greater fees in connection with our management of such accounts as compared to client accounts without performance-based fees. Such fee arrangements can also create an incentive to

favor higher fee-paying accounts over other accounts with regard to the allocation of trades or investment opportunities. We mitigate these conflicts by performing portfolio reviews and by ensuring that trades are allocated on a fair and equitable basis across all accounts in a strategy, subject to legal, accounting, or other factors, such as cash availability for the investment. In addition, the investment performance on specific accounts is not the sole factor in determining the portfolio manager's compensation, thereby reducing the incentive to favor performance of fee-paying accounts in their allocations and investment decisions.

CONFLICTS OF INTEREST RELATING TO ACCOUNTS WITH DIFFERENT STRATEGIES

We are a long-only manager and, generally, do not utilize short selling in order to realize profits. The distribution of investment ideas from research analysts is separate from the duties of portfolio management. We have implemented appropriate controls for the dissemination of new research recommendations to ensure fair opportunity to participate in investment ideas. We have in place order allocation and aggregation policies, which are implemented by the trading team which has duties that are segregated from the investment management team. As a result, we do not believe any material conflicts arise in connection with our management of accounts with different strategies.

Conflicts of Interest Relating to the Management of Multiple Client Accounts We, and our affiliates, perform investment advisory services for various clients. In many instances we may give advice and take actions in the performance of our duties with respect to certain of our clients which differs from the advice given, or the timing or nature of action taken, with respect to other clients or by our affiliates on behalf of their clients. We have no obligation to purchase or sell for a client any security or other property which we purchase or sell for the account of any other client if we believe it is undesirable or impractical to take such action.

CONFLICTS OF INTEREST RELATING TO INVESTMENT IN AFFILIATED ACCOUNTS

To the extent permissible under applicable law, we, from time to time, invest some or all of the temporary investments of client accounts in money market mutual funds advised or managed by affiliates. In addition, and where we are permitted under the applicable Investment Management Agreement, we can invest client accounts in other affiliated pooled vehicles. We are presented with conflicts of interest when we allocate investments to these affiliated vehicles because any such allocation can generate additional fees for us or our affiliates. To ensure that client assets are not allocated on the basis of fee generation, we review available investment options to ensure that clients receive best execution and that investments are in the best interests of all clients.

CONFLICTS OF INTEREST RELATING TO PROPRIETARY ACCOUNTS

We, our affiliates, and current employees from time to time invest in products managed by Newton and we or our related persons from time to time will establish “seeded” funds or accounts for the purpose of developing new investment strategies and products (collectively, “proprietary accounts”). Investments by Newton, our affiliates, or our employees in any such proprietary accounts creates conflicts of interest because they create an incentive for Newton to favor these proprietary accounts by, for example, directing our best investment ideas to these accounts or allocating, aggregating or sequencing trades in favor of such accounts, to the disadvantage of other accounts or to dedicate more time and attention to give them better execution and brokerage commissions than our other client accounts. To mitigate this risk, these accounts are treated the same as all other client accounts. For further information on employees personal account dealing and controls in place, please see Item 11. Code of Ethics, participation or interest in client transactions and personal trading and Item 12 for an explanation of our Brokerage practices and Trade Allocation Policies and Procedures.

CONFLICTS OF INTEREST RELATING TO THE SHARING OF INTERNALLY GENERATED RESEARCH

Newton has a global internal research sharing policy where internal research is defined as internally generated analysis, data or information created by NIM, NIMNA or NIMJ research and investment employees on either a macro or security specific level. Newton can share internally generated investment research and related research recommendations with a view to enhancing the research and investment opportunities for all portfolios managed by each Firm. This sharing of internally generated research allows for the fair allocation of investment ideas across each firm and avoids one set of clients being advantaged or disadvantaged over another and is undertaken in accordance with applicable laws.

The sharing and subsequent use of internally generated research and related recommendations to inform portfolio management decisions has the potential to cause trade implementation by one ahead of the other firm which could in turn result in one or more clients receiving less favourable trading results. Similarly, the sharing of internally generated research can cause a firm to execute client orders at the same time with the result that one set of clients is disadvantaged vis-à-vis the other (for example, where orders relate to less liquid securities). To mitigate these conflicts, Newton has adopted and implemented policies and procedures that set parameters around the sharing of internally generated research. All reasonable efforts will be made to ensure internal research is published or shared simultaneously across all firms thus allowing for the fair allocation of investment ideas and opportunities across the firms. However, it is recognised that time zones between offices will inherently impact the ability of Portfolio Managers to implement those investment ideas and opportunities other than in normal local working hours, it is also noted that typically, we do not manage the same strategy in different time zones. Both NIM and NIMNA have adopted a trade coordination approach to manage impact on client portfolios from portfolio management decisions, to optimise market participation of the trades to avoid price impact, and to generally ensure fair allocation between both sets of client executions. For a description of the trade coordination approach process please refer to Item 12.

The sharing and subsequent use of such research and/or research recommendations will inform portfolio management decisions. Clients of both the Firm and NIMNA LLC may have conflicting interests and objectives in connection with portfolio management decisions. For example, the Firm may make a decision to sell or liquidate a client position in which NIMNA LLC’s clients are invested which may then result in adverse consequences for NIMNA LLC’s client portfolios and vice versa. Conflicts may also arise in cases where the Firm’s clients are invested in different parts of an issuer’s capital structure compared to NIMNA LLC’s clients, for example, where an issuer has financial difficulty and clients have conflicting interests in any restructuring outcomes.

Newton operates a global restricted list for the purpose of restricting trading in securities across each of Newton’s firms in order to manage material non-public information and/or confidential information that can result from the sharing of

internally generated research. The operation of a global restricted list may result in less investment flexibility for the Firm than if it did not receive internally generated research from its affiliates and operated its own individual restricted list.

CONFLICTS OF INTEREST POSED BY THE NEWTON INCENTIVE COMPENSATION PLAN

Newton offers highly competitive compensation packages for its key investment professionals. These employees are rewarded using a mix of base salary, annual cash bonus and long-term incentive plan ("LTIP"); these elements combine to provide competitive total compensation packages.

The variable compensation pool available for distribution to staff is calculated as a percentage of Newton's profits. This is then split between annual bonus awards and LTIP awards. Investment performance is, therefore, a key determinant of variable compensation as well as the long-term incentives for our investment professionals. This performance-driven culture permeates every decision we make across corporate decision making, and in our investment selections. We believe that our interests are well aligned with those of our clients.

OTHER CONFLICTS OF INTEREST

As noted previously, the Firm and its affiliates manage numerous accounts with a variety of interests. This practice gives rise to certain potential or actual conflicts of interest. For example, we can cause multiple accounts to invest in the same investment. Such accounts could have conflicting interests and objectives in connection with any such investment, including differing views on the operations or activities of the portfolio company, the targeted returns for the transaction and the time frame for and method of exiting the investment. Some of our accounts may have gain/loss restrictions requiring them to hold certain securities while they are sold in other accounts. Conflicts also arise in cases where multiple Newton and/or affiliate client accounts are invested in different parts of an issuer's capital structure. For example, one of our client accounts could acquire debt obligations of a company whereas another client account acquires an equity investment. In negotiating the terms and conditions of any such investments, we could conclude that the interests of the debt-holding client accounts and the equity holding client accounts conflict. If that issuer encounters financial problems, decisions over the terms of any workout could raise conflicts of interest (including, for example, conflicts over proposed waivers and amendments to debt covenants). For example, debt holding accounts may be better served by a liquidation of an issuer in which they could be paid in full, whereas equity holding accounts could potentially prefer a reorganization of the issuer that would have the potential to retain value for the equity holders. As another example, holders of an issuer's senior securities could potentially direct cash flows away from junior security holders, and both the junior and senior security holders could be Firm client accounts. As we become aware of any of the foregoing conflicts of interest, they will be discussed and resolved on a case-by-case basis. Any such discussions will factor in the interests of the relevant parties and applicable laws.

We, as a Firm, manage our accounts consistent with all applicable laws and follow policies and procedures that we believe are reasonably designed to treat our clients fairly and to prevent any client or group of clients from being systematically favored or disadvantaged. For example, we have implemented order aggregation and trade allocation policies and procedures which are designed to ensure that all clients are treated fairly and equally, and to prevent these conflicts from influencing the allocation of investment opportunities among clients (*Please see Item 12 for a summary of our key order aggregation and trade allocation related policies and procedures*). Conflicts of interest and potential conflicts are regularly tracked and monitored by the Firm. Further details of actual or potential conflicts of interest identified by Newton and how these are managed are included in Newton's **Global Conflicts of Interest policy**, which is available on Newton's website.

The Firm and its affiliate, NIMNA LLC uses the personnel or services of each other in a variety of ways to share each firm's global investment capabilities. This arrangement in most instances takes the form of a delegation or a direct appointment and can give rise to a number of perceived conflicts of interest. These potential conflicts include conflicts concerning the allocation of investment opportunities across both Firms, the method and timing of the implementation



and execution of client orders, the fact that clients can be directed to a client servicing model that is more suitable for the Firm or its affiliate than the client; and/or that clients are directed to strategies of a respective Firm primarily for fee generation purposes without putting the interests of clients first. These risks are managed in a number of ways including the implementation of policies and procedures designed to ensure equal access to investment opportunities and trade coordination as described in more detail above and in Item 12.

There is currently no delegation arrangements or direct appointments between the Firm and NIMJ.

ITEM 7. TYPES OF CLIENTS

TYPES OF CLIENTS

We provide investment advisory services to a wide variety of institutional clients, including U.S. registered investment companies, collective investment funds offered and maintained by the Bank or its affiliates, corporate pension and profit sharing plans, Taft-Hartley plans, Voluntary Employee Beneficiary Associations ("VEBAs"), public plans, trusts, charitable institutions, foundations, endowments, insurance groups, municipalities, family office entities, and sovereign funds as well as other U.S. and international institutions and other non-US regulated funds.

ACCOUNT REQUIREMENTS

We require clients to execute a written investment management agreement with us which grants us authority to manage their assets. Separate accounts are subject to minimum account sizes which vary depending on the strategy, but also on the complexity of the mandate, therefore each opportunity is assessed on a case-by-case basis; such accounts also be subject to minimum annual fees; *see Item 5 for more information*. Although these are the minimum stated account sizes, from time to time we accept smaller accounts depending on the nature of the client and prospective incremental funding rates or where a relationship currently exists with the client. The Firm reserves the right to waive the minimum account size and negotiate fee rates at its sole discretion.

ITEM 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

INVESTMENT RESEARCH PROCESS

Newton's multidimensional research platform (the "Research Platform") integrates a variety of investment inputs including but not limited to, micro & macro themes, fundamental equity, macroeconomic, geopolitical, regional, quantitative, and investigative research.

Our global research team includes fundamental equity, quantitative equity, quantitative multi-asset, specialist research, and credit. Our team also includes a responsible investment group with dedicated subject-matter experts.

The Research Platform works to deliver insights that help navigate the fast-changing market environment. Some investment strategies will use themes as a framework allowing a longer-term perspective that could help to navigate headwinds and tailwinds; The aim of the platform is to bring together specialist research analysts, dedicated credit research analysts, multi-asset analysts and, fundamental equity research analysts and portfolio managers working as one team to deliver for clients.

ESG CONSIDERATIONS

The Research Platform also considers, in addition to the inputs discussed above, environmental, social and governance ("ESG") factors that, depending on the facts and circumstances, are material to the value of an issuer or instrument.

Any consideration of material environmental, social and governance (ESG) factors into our strategies is not done to seek collateral environmental or societal benefits for their own sake. We seek to consider ESG risks and opportunities (where appropriate and relevant) on the basis that the understanding of the materiality of these issues will help us better identify and assess risk adjusted returns over a proposed investment horizon.

Portfolio managers can choose to buy a security where there are ESG risks if they believe the portfolio will be compensated for taking this risk from a financial perspective.

Whether and how ESG considerations are assessed or integrated into Newton's non-sustainable strategies depends on the asset classes and the particular strategy involved. Newton can and does make investment decisions for these strategies without taking ESG factors into consideration and portfolio managers and analysts make their own decisions with respect to how much emphasis, if any, to place on ESG factors.

INVESTMENT PROCESS FOR EQUITIES

The Newton Group has developed a fundamental equity research framework that rewrites classifications into clusters that we call "Pods". This approach is designed to group companies with similar characteristics at similar points in their development cycles. Starting with the interest-sensitive/stable pod, there are (typically) increasing idiosyncratic opportunities as we move through the true cyclical, growth cyclical, secular and research and development pods, *i.e.*, the investment opportunities become more stock-specific rather than driven by broader market or macro conditions. The grouping process combines both quantitative and fundamental elements.

The approach applied by Research Analysts is very much one of identifying the best ideas rather than blanket coverage. Each equity in their assigned universe is a potential investment, they are not required to analyze each equity. The research team and the portfolio managers prioritize where to allocate time required for deep, rigorous research on the best ideas, output is driven by how key inputs can influence the valuation of a company's prospects.

The aim is to facilitate a truly transparent opportunity set which portfolio managers can interrogate to view current recommendations, identify the relevant research analyst and communicate in an informed and efficient manner.

The research output from our global research team is supplemented and prioritized by our portfolio managers. The interaction between professionals in research and portfolio management roles is critical to achieving the optimum output from our research. Both research analysts and portfolio managers are involved in the research process with a high degree of engagement between them especially at a regional level, portfolio managers can be involved in a supporting, and sometimes equal, role to assist with coverage of smaller companies and/or regions. Portfolio managers have available the same research tools as analysts when approaching stock research.

Portfolio construction: Our portfolio construction process is designed to enable our portfolios to deliver consistent long-term performance.

The portfolio manager draws upon the output of our global research team and conducts their own research to ensure that the portfolio is composed of securities in which we have strong conviction. Portfolios are constructed holistically, with portfolio managers, who have ultimate responsibility for every position within the portfolio, carefully considering risk, making qualitative judgments on the impact of new positions, exiting from current positions or exiting due to market conditions would have on the overall impact on the portfolio.

Model/lead portfolios for each key type of mandate form the basis of the link between idea generation and portfolio construction. To construct models, each team selects stocks from the ideas generated across Newton. Model portfolios are used as a point of reference. Live portfolios are constructed with reference to the model/lead portfolio; the overall balance and risk of the portfolio is taken into consideration, with deviations reflecting the differing mandate objectives and risk parameters.

Positioning: In our equity portfolios, the most important aspect of portfolio construction is stock selection as bottom-up decisions drive, to a large extent, a portfolio's allocation to countries, sectors, and currencies. When purchasing a stock, the potential upside is evaluated by the global research and/or the portfolio management team. The valuation and risk assessment is made with a multi-year investment horizon. Stocks are monitored on an ongoing basis, with the research analysts and portfolio managers continually assessing the implications of movements in the markets, the news or any developments affecting the holdings. The information gathered from these reviews culminates in a decision to take profits or to increase, reduce or sell out of a position entirely. As active managers, we seek to steer our clients' investments away from risks which we believe threaten the fulfilment of their objectives.

Investment risk: We conduct management of investment risk within the investment process rather than solely through quantitative controls. Our portfolio managers are at the forefront of risk awareness and risk management who actively manage risk and return on a daily basis and participate in the processes of idea generation, sharing, evaluation and implementation in portfolios. Interaction is key to this process.

To avoid unintended risks, the following key groups are involved in monitoring portfolios to ensure that any risk taken is deliberate, intentional and has what we believe to be a commensurate expected return:

- The investment risk team (IRT) is part of the investment risk oversight process for Newton's portfolios and provides information to the investment risk oversight group and senior management on portfolio construction and risk profiles. The IRT produces comparative and independent analyses of portfolios.
- The Equity Investment Risk Oversight Group (EIROG) and Multi Asset Investment Risk Oversight Group (MAIROG) are oversight groups that meet monthly with representatives from the IRT and the investment team to review a detailed pack of information on the risk profiles of portfolios. These groups are responsible for identifying the most important risk-related issues and highlighting them to portfolio managers and senior management. The EIROG and MAIROG report to Newton's Investment Oversight Committee.
- The performance measurement team is involved in analyzing performance and attribution; this analysis is fed back to the IRT, providing useful information on sources of return and risk.

Our portfolios are constructed as holistic seamless portfolios, with the risk and return qualities of the combination of holdings explicitly understood.

INVESTMENT PROCESS FOR FIXED INCOME

The investment process for fixed income starts with global themes that characterize Newton's investment philosophy. Global themes representing key forces of observable change provide a long-term orientation to our fixed income strategies and a stimulus for debate and research, thereby also steering both our 'top-down' view of the world's bond and currency markets and our 'bottom-up' investment selection process. Themes highlight areas of opportunity as well of those of risk in the global investment landscape.

Our themes are supported by a variety of proprietary models that help us determine value and changing economic trends. Themes help us understand the level of economic growth but also whether there will be an increase in inflation and the demand for and supply of bonds. Themes point us in the direction of markets and sectors that should benefit from global trends and individual companies that are better placed to take advantage of the opportunities and threats that our themes help us identify. We can then use models to see how much of this is already priced into markets. We use our models to inform our thinking and not as an automatic buy or sell signal. Where there are discrepancies between our models and the underlying asset, we can often point to a specific theme that is the cause of the distortion.

The top-down part of the process is responsible for defining which bond asset class we want to buy, how much interest rate risk we wish to assume, and whether, for example, we want long- or short-dated assets and our overall currency exposure.

Having a global approach means that this evaluation enables us to spot the differences between countries. For example, we could conclude a chance of rising inflation and higher central bank rates in one country and not another. We can therefore invest in one government bond market where we expect low inflation and low interest rates to prevail, and perhaps take a short position in the government bonds of another country in which we expect higher inflation and interest rates, by selling bond futures or buying put options on bond futures.

Stronger economic growth is usually supportive of credit and risk assets such as high yield and emerging markets. We aim to exploit the phases of the economic cycle by shifting towards these assets during periods of rising economic growth and back towards government bonds when recessions are likely. Alternatively, we can have a balance between the markets when the direction for economic growth is unclear.

Finally, the level of economic growth and the level of interest rates can determine the value of currencies. Using our top-down process we can define a currency overlay that suits our understanding of the direction and make-up of the global economy. The currency exposure of the strategy can also be used to dampen the overall level of risk we are taking especially if we are entering a period of uncertainty.

A combination of themes and models helps us in our 'bottom-up' bond and sector selection and also provides an understanding of value at the top level. Themes point us in the direction of markets and sectors that should benefit from global trends and individual companies that are better placed to take advantage of the opportunities and threats that our themes help us identify.

Using regression analysis, we filter the global universe to help identify value. These two initial stages result in a more manageable universe of bonds. The credit analysts in consultation with the equity research and responsible investment team carry out detailed company and bond selection. This process incorporates fundamental analysis of the issuer and the issue as well as analysis of proprietary forecasting models, stress tests and peer-group comparisons to arrive at corporate bond recommendations. We work to identify sustainable companies where the interests of bondholders and shareholders are aligned, or in our view are at least likely to become more aligned.

A thematic approach that can be used to identify changing economic trends helps to anticipate when to change the fixed income allocation and to adjust the risk levels. We use a bespoke global bond management portfolio analytics tool which

allows us to simulate the effect of possible buys/sells and cash flow movements to be calculated using 'what if' scenarios. By using the 'what if' tool, it calculates changes to the portfolio, including the possible effect on risk statistics.

Investment risk: As with all our portfolios, the management of investment risk is conducted within the investment process rather than solely through quantitative controls.

At the forefront of risk awareness and risk management are the portfolio managers who actively manage risk and return on a daily basis and who ensure we have a repeatable process that enables us to anticipate the changing economic cycle. All investments are chosen by the team, with ultimate responsibility sitting with the portfolio management team.

Rather than using backward-looking VaR analysis, we prefer to stress test fixed income strategies based on the possibility of events in the future. We also use forward-looking scenario analysis and on a daily basis monitor the positions in the portfolio. This review is done both on the fixed income desk and also by Newton's Multi-Asset Investment Risk Oversight Group ("MAIROG"). The output may lead to a re-evaluation of positions if we are not comfortable with the current allocation. Monitoring of the strategy using live pricing can also highlight where the current allocation is working and where we are potentially vulnerable to a change in direction. This is one of the most valuable sources of information on the level of risk being taken and whether the mix of assets is correct for the current market environment.

Portfolios are then subject to the same monitoring as equity portfolios and includes work by IRT, the MAIROG and Performance Measurement Team as described above.

SUSTAINABLE STRATEGY INVESTMENTS

The sustainable strategies that are offered and provided to clients seeking a sustainability mandate, build from the overall assessment and integration of material ESG factors by seeking to further identify sustainable business and economic models that provide solutions to pressing societal challenges, balancing the interests of stakeholders through their operations, or transitioning away from harmful activities.

Securities considered suitable for sustainable strategies are subject to Newton's sustainable investment framework. This framework is owned by the responsible investment team at Newton. The framework seeks to identify and avoid issuers that participate in specific areas of activity that Newton deems to be harmful from an environmental or social perspective, while at the same time seeking to identify and invest in issuers that are proactively managing environmental and/or social factors to generate sustainable returns.

There are certain types of investments (e.g., cash/cash-like instruments, certain derivatives or index-based instruments) that Newton does not believe present material ESG risks, opportunities and/or issues. As such, we do not evaluate these investments under our sustainable investment framework. Sustainable investment is an evolving discipline and Newton will continue working to develop this framework, both as it relates to different asset classes as well as individual stocks.

RISKS INVOLVED WITH STRATEGIES OFFERED

Each investment strategy offered by the Firm invests in a variety of securities, derivatives and/or other assets and employs a number of investment techniques that involve certain risks. All investments involve a risk of loss that clients should be prepared to bear. We do not guarantee or represent that our investment program will be successful. Our past results are not necessarily indicative of our future performance and our investment results may vary over time. We cannot assure investors that our investments will be profitable, and in fact, investors could incur substantial losses. The investor's investments with us are not a bank deposit and are not insured or guaranteed by the FDIC or any other government agency.

The tables below and section that follows set forth information concerning the material risks involved with each investment strategy. An "X" in the table indicates that the strategy involves the corresponding risk. An empty box



indicates that the strategy does not involve the corresponding risk in a material way under normal market conditions. However, an empty box does not guarantee that the strategy will not be subject to the corresponding risk.

The risks set forth below represent a general summary of the material risks involved in the investment strategies we offer. If applicable, please refer to the "Risk Factors" section in the offering documents for a more detailed discussion of the risks involved in an investment in a fund.

Global Bond Strategy	Global Dynamic Bond Strategy	Sustainable Global Dynamic Bond Strategy	Sustainable Global Dynamic Income	Global Dynamic Bond Income Strategy	Global Equity Strategy	Sustainable Global Equity Strategy	Global Equity Income Strategy	Sustainable Global Equity Income Strategy	Concentrated Global Equity Strategy	Sustainable US Equity Strategy	Global Emerging Market Equity Strategy	Sustainable Global Emerging Market Equity Strategy	International Equity Strategy	Sustainable International Equity Strategy	International Equity Income Strategy	Global Real Return Strategy	Sustainable Global Real Return Strategy	Global Unconstrained	
X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	Allocation Risk
X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	Banking Industry Risk
X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	Clearance And Settlement Risk
X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	Counterparty Risk
X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	Country, Industry and Market Sector Risk
X	X	X	X	X												X	X	X	Credit Risk
X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	Concentration Risk
X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	Cybersecurity Risk
X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	Derivatives Risk
					X	X	X	X	X	X	X	X	X	X	X	X	X	X	Emerging Market Risk – Equities
X	X	X	X	X												X	X	X	Emerging Market Risk – Fixed Income
X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	Foreign Currency Risk
X	X	X	X	X												X	X	X	Foreign Government Obligations Risk
X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	Foreign Investment Risk

Global Unconstrained	Sustainable Global Real Return Strategy	Global Real Return Strategy	International Equity Income Strategy	Sustainable International Equity Strategy	International Equity Strategy	Sustainable Global Emerging Market Equity Strategy	Global Emerging Market Equity Strategy	Sustainable US Equity Strategy	Concentrated Global Equity Strategy	Sustainable Global Equity Income Strategy	Global Equity Income Strategy	Sustainable Global Equity Strategy	Global Equity Strategy	Global Dynamic Bond Income Strategy	Sustainable Global Dynamic Bond Strategy	Global Dynamic Bond Strategy	Global Bond Strategy		
General Risks	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		
Government Securities Risk	X	X												X	X	X	X		
Growth And Value Stock Risk	X	X	X	X	X	X	X	X	X	X	X	X	X						
Indexing Strategy Risk																			
Interest Rate Risk	X	X												X	X	X	X		
Investment Strategy Risk	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		
Issuer Risk	X	X												X	X	X	X		
Large Cap Stock Risk	X	X	X	X	X	X	X	X	X	X	X	X	X						
SONIA Risk	X	X												X	X	X	X		
Liquidity Risk	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		
Market Risk	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		
Small And Mid-Size Company Risk	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		
Stock Investing Risk	X	X	X	X	X	X	X	X	X	X	X	X	X						
Stock Selection Risk	X	X	X	X	X	X	X	X	X	X	X	X	X						
Sustainable Strategy Investment Risk		X			X		X	X		X		X	X		X				

RISK FACTORS

- **Allocation risk.** The asset classes in which a strategy seeks investment exposure can perform differently from each other at any given time (as well as over the long term), so a strategy will be affected by its allocation among the various asset classes. If the strategy favors exposure to an asset class during a period when that class underperforms, performance may be hurt. In addition, there can be no assurance that the allocation of a strategy's assets among investment strategies and underlying funds will be effective in achieving the strategy's investment goal.
- **Banking industry risk.** The risks generally associated with concentrating investments in the banking industry, such as interest rate risk, credit risk, and regulatory developments relating to the banking industry.
- **Clearance and settlement risk.** Many emerging market countries have different clearance and settlement procedures from developed countries. There may be no central clearing mechanism of settling trades and no central depository or custodian for the safe keeping of securities. The registration, record-keeping and transfer of instruments may be carried out manually, which may cause delays in the recording of ownership. Increased settlement risk may increase counterparty and other risk. Certain markets have experienced periods when settlement dates are extended, and during the interim, the market value of an instrument may change. Moreover, certain markets have experienced periods when settlements did not keep pace with the volume of transactions resulting in settlement difficulties. Because of the lack of standardized settlement procedures, settlement risk in emerging markets is more prominent than in more mature markets.
- **Counterparty risk.** Under certain conditions, a counterparty to a transaction, including repurchase agreements and derivative instruments, could fail to honor the terms of the agreement, default and the market for certain securities or financial instruments in which the counterparty deals may become illiquid.
- **Country risk, industry and market sector risk.** A strategy may be over weighted or underweighted, relative to the benchmark index, in companies in certain countries, industries or market sectors, which may cause the strategy's performance to be more or less sensitive to positive or negative developments affecting these countries, industries or sectors. In addition, the strategy may, from time to time, invest a significant portion (more than 25%) of its total assets in securities of companies located in particular countries, such as the United Kingdom and Japan, depending on such country's representation within the benchmark index.
- **Credit risk.** Failure of an issuer to make timely interest or principal payments, or a decline or perception of a decline in the credit quality of a bond, can cause a bond's price to fall, lowering the value of a strategy's investment in such security. The lower a security's credit rating, the greater the chance that the issuer of the security will default or fail to meet its payment obligation. See also "High yield bond risk."
- **Concentration risk.** A strategy may have a concentrated portfolio due to investment in a limited number of securities, giving rise to concentration risk. A fall in the value of a single security may have a greater impact on the strategy's value than if the strategy had a more diversified portfolio.
- **Cybersecurity Risk.** In addition to the risks described above that primarily relate to the value of investments, there are various operational, systems, information security and related risks involved in investing, including but not limited to "cybersecurity" risk. Cybersecurity attacks include electronic and non-electronic attacks that include but are not limited to gaining unauthorized access to digital systems (e.g., through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data or causing operational disruption. Cybersecurity attacks also may be carried out in a manner that does not require gaining unauthorized access, such as causing denial of service attacks on websites (i.e., efforts to make services unavailable to intended users). As the use of technology has become more prevalent, we and the client accounts we manage have become potentially more susceptible to operational risks through cybersecurity attacks. These attacks in turn could cause us and client accounts (including funds) we manage to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures, and/or financial loss. Similar adverse consequences could result from cybersecurity incidents affecting issuers of securities in which we invest, counterparties with which we

engage in transactions, third-party service providers (e.g., a client account's custodian), governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers and other financial institutions and other parties. While cybersecurity risk management systems and business continuity plans have been developed and are designed to reduce the risks associated with these attacks, there are inherent limitations in any cybersecurity risk management system or business continuity plan, including the possibility that certain risks have not been identified. Accordingly, there is no guarantee that such efforts will succeed, especially since we do not directly control the cybersecurity systems of issuers or third-party service providers.

- **Derivatives risk.** A small investment in derivatives could have a potentially large impact on the strategy's performance. The use of derivatives involves risks different from, or possibly greater than, the risks associated with investing directly in the underlying assets. Derivatives can be highly volatile, illiquid and difficult to value, and there is the risk that changes in the value of a derivative held by the strategy will not correlate with the underlying instruments or the strategy's other investments. Derivative instruments also involve the risk that a loss may be sustained as a result of the failure of the counterparty to the derivative instruments to make required payments or otherwise comply with the derivative instruments' terms. Certain types of derivatives involve greater risks than the underlying obligations because, in addition to general market risks, they are subject to illiquidity risk, counterparty risk and credit risk. Additionally, some derivatives involve economic leverage, which could increase the volatility of these investments as they may fluctuate in value more than the underlying instrument.
- **Emerging market risk – equities.** The securities of issuers located in emerging markets tend to be more volatile and less liquid than securities of issuers located in the markets of more mature economies, and generally have less diverse and less mature economic structures and less stable political systems than those of developed countries. These securities are often subject to rapid and large changes in price. The imposition of sanctions, confiscations, trade restrictions (including tariffs) and other government restrictions by the United States and other governments, or problems in share registration, settlement or custody, may also result in losses.
- **Emerging market risk – fixed income.** The securities of issuers located in emerging markets tend to be more volatile and less liquid than securities of issuers located in the markets of more mature economies, and generally have less diverse and less mature economic structures and less stable political systems than those of developed countries. In addition, such securities often are considered to be below investment grade credit quality and predominantly speculative. The imposition of sanctions, confiscations, trade restrictions (including tariffs) and other government restrictions by the United States and other governments, or problems in share registration, settlement or custody, may also result in losses.
- **Foreign currency risk.** Investments in foreign currencies are subject to the risk that those currencies will decline in value relative to the U.S. dollar, or in the case of hedged positions, that the U.S. dollar will decline relative to the currency being hedged. Currency exchange rates may fluctuate significantly over short periods of time. A decline in the value of foreign currencies relative to the U.S. dollar will reduce the value of securities held by the strategy and denominated in those currencies. Foreign currencies are also subject to risks caused by inflation, interest rates, budget deficits and low savings rates, political factors and government controls.
- **Foreign government obligation risk.** Investing in the sovereign debt of countries creates exposure to the direct or indirect consequences of political, social or economic changes in the countries that issue the securities or in which the issuers are located. The ability and willingness of sovereign obligors in countries or the governmental authorities that control repayment of their debt to pay principal and interest on such debt when due may depend on general economic and political conditions within the relevant country. Certain countries in which the strategy may invest have historically experienced, and may continue to experience, high rates of inflation, high interest rates and extreme poverty and unemployment. Some of these countries are also characterized by political uncertainty or instability. Additional factors which may influence the ability or willingness to service debt include a country's cash flow situation, the availability of sufficient foreign exchange on the date a payment is due, the relative size of its debt service burden to the economy as a whole and its government's policy towards the International Monetary Fund, the International Bank for Reconstruction and Development and other international agencies. The ability of a foreign sovereign obligor to make timely payments on its external debt obligations also will be strongly influenced by the obligor's balance of payments, including export performance, its access to international credits and investments, fluctuations in interest rates and the extent of its foreign reserves. A governmental obligor may default

on its obligations. Some sovereign obligors in countries have been among the world's largest debtors to commercial banks, other governments, international financial organizations and other financial institutions. These obligors, in the past, have experienced substantial difficulties in servicing their external debt obligations, which led to defaults on certain obligations and the restructuring of certain indebtedness. The imposition of sanctions, confiscations, trade restrictions (including tariffs) and other government restrictions by the United States and other governments, or problems in share registration, settlement or custody, may also result in losses.

- **Foreign investment risk.** Special risks associated with investments in foreign companies include exposure to currency fluctuations, less liquidity, less developed or less efficient trading markets, lack of comprehensive company information, political or economic instability, seizure or nationalization of assets, imposition of taxes or repatriation restrictions and differing auditing and legal standards. The securities of issuers located in emerging markets can be more volatile and less liquid than those of issuers in more mature economies. The imposition of sanctions, confiscations, trade restrictions (including tariffs) and other government restrictions by the United States and other governments, or problems in share registration, settlement or custody, may also result in losses.
- **General risks.** Each investment strategy we offer invests in a variety of securities and employs a number of investment techniques that involve certain risks. Investments involve risk of loss that clients should be prepared to bear. We do not guarantee or represent that our investment program will be successful. Our past results are not necessarily indicative of our future performance and our investment results may vary over time. We cannot assure investors that our investments will be profitable, and in fact, investors could incur substantial losses. The investor's investments with us are not a bank deposit and are not insured or guaranteed by the FDIC or any other government agency.
- **Government securities risk.** Not all obligations of the U.S. government's agencies and instrumentalities are backed by the full faith and credit of the U.S. Treasury. Some obligations are backed only by the credit of the issuing agency or instrumentality, and in some cases there may be some risk of default by the issuer. Any guarantee by the U.S. government or its agencies or instrumentalities of a security held by the strategy does not apply to the market value of such security. A security backed by the U.S. Treasury or the full faith and credit of the United States is guaranteed only as to the timely payment of interest and principal when held to maturity. In addition, because many types of U.S. government securities trade actively outside the United States, their prices may rise and fall as changes in global economic conditions affect the demand for these securities. No assurance can be given that the U.S. government will provide financial support to its agencies and instrumentalities, since it is not obligated to do so by law.
- **Growth and value stock risk.** By investing in a mix of growth and value companies, the strategy assumes the risks of both. Investors often expect growth companies to increase their earnings at a certain rate. If these expectations are not met, investors can punish the stocks inordinately, even if earnings do increase. In addition, growth stocks typically lack the dividend yield that can cushion stock prices in market downturns. Value stocks involve the risk that they may never reach their expected full market value, either because the market fails to recognize the stock's intrinsic worth, or the expected value was misgauged. They also may decline in price even though in theory they are already undervalued.
- **Interest rate risk.** Prices of debt securities tend to move inversely with changes in interest rates. Typically, a rise in rates will adversely affect the prices of these securities and, accordingly, the value of investment. The longer the effective maturity and duration of the strategy's portfolio, the more the value of the investor's investment is likely to react to interest rates. Mortgage-related securities can have a different interest rate sensitivity than other bonds, however, because of prepayments and other factors, and may carry additional risks and be more volatile than other types of debt securities due to unexpected changes in interest rates.
- **Investment strategy risk.** A strategy's investment criteria (for example, sustainability) may limit the number of investment opportunities available to the strategy, and, as a result, at times the strategy's returns may be lower than those of strategies that are not subject to such special investment considerations.
- **Issuer risk.** The value of a security may decline for a number of reasons which directly relate to the issuer, such as management performance, financial leverage and reduced demand for the issuer's products or services.

- Large cap stock risk. To the extent a strategy invests in large capitalization stocks, the strategy may underperform strategies that invest primarily in the stocks of lower quality, smaller capitalization companies during periods when the stocks of such companies are in favor.
- Cybersecurity Risk: With the increased use of technologies to conduct business, Newton and its affiliates are susceptible to operational, information security and related risks. For example, computer, communications, data processing, networks, backup, business continuity or other operating, information or technology systems, including those outsourced to other providers, may fail to operate properly or become disabled, overloaded or damaged as a result of a number of factors. These factors could include events that are wholly or partially beyond our control and may have a negative effect on our ability to conduct business activities. We believe that we have taken reasonable steps to mitigate these risks, but do not believe that we can eliminate them altogether. In general, cyber incidents can result from deliberate attacks or unintentional events and may arise from external or internal sources. Cyber-attacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through “hacking” or malicious software coding) for purposes of misappropriating assets or sensitive information; corrupting data, equipment or systems; or causing operational disruption. Cyber-attacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users). Cyber incidents affecting Newton, its affiliates, or any other service providers (including, but not limited to, accountants, custodians, transfer agents and financial intermediaries used by a fund or account) have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, interference with the ability to calculate NAV, impediments to trading, the inability to transact business, destruction to equipment and systems, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs. Similar adverse consequences could result from cyber incidents affecting issuers of securities in which a fund or account invests, counterparties with which a fund or account engages in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions (including financial intermediaries and service providers) and other parties.
- Liquidity risk. When there is little or no active trading market for specific types of securities, it can become more difficult to sell the securities at or near their perceived value. In such a market, the value of such securities and the value of the investor’s investment may fall dramatically. Liquidity risk also exists when a particular derivative instrument is difficult to purchase or sell. If a derivative transaction is particularly large or if the relevant market is illiquid (as is the case with many privately negotiated derivatives), it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price. The secondary market for certain municipal bonds tends to be less well developed or liquid than many other securities markets, which may adversely affect the strategy’s ability to sell such municipal bonds at attractive prices.
- Market risk. The market value of a security may decline due to general market conditions that are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates, outbreaks of an infectious disease, or adverse investor sentiment generally. A security’s market value also may decline because of factors that affect a particular industry or industries, such as labour shortages or increased production costs and competitive conditions within an industry. Global economies and financial markets are becoming increasingly interconnected, and conditions and events in one country, region or financial market may adversely impact issuers in a different country, region or financial market. These risks may be magnified if certain events or developments adversely interrupt the global supply chain; in these and other circumstances, such risks might affect companies world-wide.
- Small and midsize company risks. Small and midsize companies carry additional risks because the operating histories of these companies tend to be more limited, their earnings and revenues less predictable (and some companies may be experiencing significant losses), and their share prices more volatile than those of larger, more established companies. The shares of smaller companies tend to trade less frequently than those of larger, more established companies, which can adversely affect the pricing of these securities and the strategy’s ability to sell these securities. These companies may have limited product lines, markets or financial resources, or may depend on a limited management group. Some of the strategy’s investments will rise and fall based on investor perception

rather than economic factors. Other investments are made in anticipation of future products, services or events whose delay or cancellation could cause the stock price to drop.

- **Stock investing risk.** Stocks generally fluctuate more in value than bonds and may decline significantly over short time periods. There is the chance that stock prices overall will decline because stock markets tend to move in cycles, with periods of rising prices and falling prices. The market value of a stock may decline due to general market conditions that are not related to the particular company, such as real or perceived adverse economic conditions, changes in the outlook for corporate earnings, changes in interest or currency rates, or adverse investor sentiment generally. A security's market value also may decline because of factors that affect a particular industry, such as labor shortages or increased production costs and competitive conditions within an industry, or factors that affect a particular company, such as management performance, financial leverage, and reduced demand for the company's products or services.
- **Stock selection risk.** Although the strategy seeks to manage risk by broadly diversifying among industries and by maintaining a risk profile generally similar to the relevant index, the strategy is expected to hold fewer securities than the index. Owning fewer securities and having the ability to purchase companies not listed in the index can cause the strategy to underperform the index.
- **Sustainable strategy investment risk.** Where the strategy follows a sustainable investment approach, this could cause it to perform differently than strategies that have a similar objective but which do not integrate sustainable investment criteria when selecting securities. These strategies could have limited exposure to some companies, industries or sectors as a result and may forego certain investment opportunities, or dispose of certain holdings, that do not align with their sustainability criteria. As a result, accounts that follow a sustainable investment approach could underperform similar accounts that do not follow a sustainable investment approach. As investors can differ in their views of what constitutes a sustainable investment, these strategies could also invest in assets that do not reflect the beliefs and values of any particular investor. The regulatory framework applying to sustainable products and sustainable investing is rapidly evolving. As such, the aims and investments of the sustainable strategies may be subject to change over time in order to comply with new requirements or applicable regulatory guidance.

ITEM 9. DISCIPLINARY INFORMATION

From time to time, Newton and/or BNY Mellon and its affiliates may be involved in regulatory examinations or litigation that arise in the ordinary course of our business.

On 21 February 2019, the UK Financial Conduct Authority ("FCA") found that Newton Investment Management Limited ("Newton"), through the actions of a former employee in 2014 and 2015, shared information with three other UK investment advisers in relation to two initial public offerings and one placing by UK issuers by disclosing the price it intended to pay, or accepting such information, or both, shortly before the share prices were set. The FCA found that parts of this conduct violated the UK Competition Act 1998. Newton self-reported this matter to the FCA following identification of the issue. The former employee's actions contravened Newton's code of conduct and ethical standards, and the employee has since been dismissed. The Bank of New York Mellon Corporation ("BNYM") was found jointly and severally liable by reason of being Newton's ultimate parent company. Neither BNYM nor any of its employees was involved in any aspect of the relevant conduct and there has been no allegation nor negative finding by the FCA in respect of the conduct of BNYM.

ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

AFFILIATED FINANCIAL SERVICES

NIMNA LLC is registered as an Investment Adviser with the US Securities and Exchange Commission. NIMJ is authorized and regulated by the Japan Financial Services Agency (JFSA). The Firm, NIMNA LLC and NIMJ are collectively referred to as the “Newton Group”. NIMNA LLC & NIMJ, and other affiliates of the BNY Mellon group, provide a number of different services to the Firm. NIM also acts as a participating affiliate in respect of providing certain investment management related services to NIMNA LLC. The Firm, NIMNA LLC & NIMJ are owned by BNY Mellon.

BNY MELLON IS A GLOBAL FINANCIAL SERVICES COMPANY

BNY Mellon is a global financial services company providing a comprehensive array of financial services (including asset management, wealth management, asset servicing, clearing and execution services, issuer services and treasury services) through a world-wide client focused team that enables institutions and individuals to manage and service their financial assets. BNY Mellon Investment Management is the umbrella designation for BNY Mellon’s affiliated investment management firms, wealth management business, and global distribution companies and is responsible, through various subsidiaries, for U.S. and non-U.S. retail, intermediary and institutional distribution of investment management and related services.

We enter into transactions with unaffiliated counterparties or third party service providers who can be using affiliates of ours to execute such transactions. Additionally, when we effect transactions in American Depositary Receipts (“ADRs”) or other securities, the involved issuers or their service providers could be using affiliates for support services. Services provided by our affiliates to such unaffiliated counterparties, third party service providers and/or issuers include, for example, clearance of trades, purchases or sales of securities, serving as depository bank to issuers of ADRs, providing foreign exchange services in connection with dividends and other distributions from foreign issuers to owners of ADRs, or other transactions not contemplated by us. Although one of our affiliates receives compensation for engaging in these transactions and/or providing services, the decision to use or not use an affiliate of ours is made by the unaffiliated counterparty, third party service provider or issuer. Further, we will likely be unaware that the affiliate is being used to enter into such transaction or service.

BNY Mellon and/or its other affiliates gather data from us about our business operations, including information about holdings within client portfolios, which is required for regulatory filings to be made by us, BNY Mellon or other affiliates (e.g., reporting beneficial ownership of equity securities) or for other compliance, financial, legal or risk management purposes, pursuant to policies and procedures of the Firm, BNY Mellon or other affiliates. This data is deemed confidential and procedures are followed to ensure that any information is utilized solely for the purposes intended.

BNY MELLON’S STATUS AS A BANK HOLDING COMPANY

BNY Mellon and its direct and indirect subsidiaries, including us, are subject to (1) certain U.S. banking laws, including the Bank Holding Company Act of 1956, as amended (the “BHCA”), (2) regulation and supervision by the Board of Governors of the Federal Reserve System (the “Federal Reserve”), and (3) the provisions of, and regulations under, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”). The BHCA the Dodd-Frank Act (other applicable banking laws, and the regulatory agencies, including the Federal Reserve, that interpret and administer these laws) can restrict (1) the transactions and relationships among BNY Mellon, its affiliates (including us) and our clients, and (2) our investments, transactions and operations. For example, the BHCA regulations applicable to BNY Mellon and us can, restrict our ability to make certain investments or the size of certain investments, impose a maximum holding period on some or all of our investments, and restrict our ability to participate in the management and operations of the companies in which we invest. In addition, certain BHCA regulations require aggregation of the

positions owned, held or controlled by related entities. Thus, in certain circumstances, positions held by BNY Mellon and its affiliates (including us) for client and proprietary accounts may need to be aggregated and may be subject to a limitation on the amount of a position that may be held. Any such limitations can have an adverse effect on our ability to manage client's investment portfolios. For example, depending on the percentage of a company that we and our affiliates (in the aggregate) control at any given time, the limits may: (1) restrict our ability to invest in that company for certain clients or (2) require us to sell certain client holdings of that company when it may be undesirable to take such action. Additionally, in the future BNY Mellon may in the future, in its sole discretion and without notice, engage in activities affecting us in order to comply with the BHCA and the Dodd-Frank Act or other legal requirements applicable to (or reduce or eliminate the impact or applicability of any bank regulatory or other restrictions on) us and accounts that we and our affiliates managed.

THE VOLCKER RULE

The Dodd-Frank Act includes provisions that have become known as the "Volcker Rule," which restrict bank holding companies, such as BNY Mellon and its subsidiaries (including us) from (i) sponsoring or investing in a private equity fund, hedge fund or otherwise "covered fund", with the exception, in some instances, of maintaining a de minimis investment, subject to certain other conditions and/or exceptions, (ii) engaging in proprietary trading, and (iii) entering into certain transactions involving affiliated covered funds.

The Volcker Rule generally prohibits certain transactions involving an extension of credit or other type of transaction as set forth in applicable regulations between BNY Mellon and its affiliates, on the one hand, and "covered funds" managed or sponsored by BNY Mellon and/or its affiliates (including us), on the other hand, subject to certain exemptions pursuant to which such extensions of credit are permitted. BNY Mellon affiliates provide securities clearance and settlement services to broker-dealers on a global basis. The operational mechanics of the securities clearance and settlement process can result in an incidental or unintended intraday extension of credit between the securities clearance firm and a "covered fund." As a result, unless an applicable exemption is available, we may be restricted from using a BNY Mellon affiliate as custodian or in other capacities for covered funds as well as be restricted in executing transactions for certain funds through broker-dealers that utilize a BNY Mellon affiliate as their securities clearance firm. Such restrictions could limit the covered fund's selection of service providers and prevent us from executing transactions through broker-dealers we would otherwise use in fulfilling our duty to seek best execution. The Volcker Rule was amended in 2020 to include exemptions that permit a broader range of transactions between BNY Mellon and its affiliates and relevant covered funds. BNY Mellon intends to rely on such exemptions to the extent it deems appropriate.

AFFILIATED PLACEMENT AGENTS

We have affiliated "placement agents," including BNY Mellon Securities Corporation (BNYMSC), BNY Mellon Investment Management EMEA Limited, BNY Mellon Asset Management Canada and other BNY Mellon entities, who solicit persons to invest in various products, including our separate account products, for which we act as investment manager. We or our affiliates are solely responsible for the payment of these commissions and fees - they will not be borne by our separate account clients. Nonetheless, these financial arrangements present a conflict of interest because they provide a financial incentive to the placement agents and their employees and/or sales representatives to steer investors toward those separate account models that will generate higher commissions and fees. *Please see Item 14 for more information on the compensation arrangements related to client referrals.*

Newton dedicated sales and client service personnel, employed by our affiliate NIMNA LLC, are registered representatives of our affiliate, BNYMSC, a registered investment adviser under the Investment Advisers Act of 1940, as amended, a registered broker-dealer under the Securities Exchange Act of 1934, as amended, and a member of the Financial Industry Regulatory Authority (FINRA). In their capacity as registered representatives of BNYMSC, these employees sell and provide services regarding strategies managed by us. There is a financial arrangement in place between the Firm, NIMNA LLC and BNYMSC with respect to these services..



AFFILIATED REVENUE SHARE ARRANGEMENTS

We have affiliated revenue share agreements in place with other BNY Mellon entities. Under such arrangements, these entities solicit persons to invest in various funds for which we provide investment sub-advisory services, separate account strategies and sometimes also provide other administrative services. In certain instances, we enter into revenue sharing arrangements with affiliates where we either receive a portion of the fee, or bill the entire fee to the client and reimburse the affiliate. We or our affiliates are solely responsible for the payment of these fees. They will not be borne by clients or fund investors (directly or indirectly) and come out of our own profits. *Please see Item 14 for more information on the compensation arrangements related to client referrals.*

AFFILIATED SERVICE PROVIDERS

In addition, to the extent permitted under applicable law, placement agents and their respective affiliates provide brokerage and certain other financial and securities services to the Firm, its affiliates or related private funds. Such services, if any, will be provided at competitive rates. BNY Mellon is also affiliated with service providers, distributors and consultants that may provide services and may receive fees from BNY Mellon in connection with such services, which may incentivise such persons to distribute interests in other BNY Mellon products (e.g., a private fund).

DUAL OFFICERS AND EMPLOYEES

Certain of our employees and related personnel act as officers or employees of, The Bank of New York Mellon, an affiliated New York chartered bank (the "Bank") for the purposes of providing administrative, operational, and certain oversight services to certain collective investment funds or separate accounts of the Bank and we receive a fee for our provision of such services.

We may also provide sub-advisory services to certain affiliated registered investment companies by serving as a sub-adviser to BNY Mellon Investment Adviser, Inc. and to certain affiliated collective investment funds by serving as sub-adviser to the Bank. For such services, we receive a portion of the investment management fee received by BNY Mellon Investment Adviser, Inc. or the Bank respectively from each investment company or collective investment fund to which it renders advice.

OTHER RELATIONSHIPS

In addition, BNY Mellon personnel, including certain Firm employees, have board, advisory, or other relationships with issuers, distributors, consultants and others that have investments in a private fund and/or related funds or that recommend investments in a private fund or distribute interests in a private fund. To the extent permitted by applicable law, BNY Mellon and its affiliates, including the Firm and its personnel, from time to time make charitable contributions to institutions, including those that have relationships with investors or personnel of investors. As a result of the relationships and arrangements described in this paragraph, placement agents, consultants, distributors and other parties would have conflicts associated with their promotion of a private fund, or other dealings with a private fund, that create incentives for them to promote a private fund.

Some of our clients retain consulting firms to assist them in selecting investment managers. Some consulting firms provide services to both those who retain investment managers and to an investment management firms, and in some instances we provide separate advisory services directly or indirectly to employees of such consulting firms. From time to time we pay to attend conferences sponsored by consulting firms and/or purchase services from consulting firms where we believe those services will be useful to us in operating our investment management business. We do not pay referral fees to consultants. However, our clients and prospective clients should be aware that consulting firms often have business relationships with investment management firms that they recommend to their clients.

BNY Mellon maintains, and we have adopted, a Code of Conduct that addresses these types of relationships and the conflicts of interest they present, including the provision and receipt of gifts and entertainment.

BNY Mellon, among several other leading investment management firms, has a minority equity interest in Kezar Markets, LLC (f/k/a Titan Parent Company, LLC), which owns Kezar Markets, LLC (f/k/a Luminex Trading and Analytics LLC ("Kezar"), a registered broker-dealer under the Exchange Act, that operates two alternative trading systems for securities (the "Alternative Trading System"). Transactions for clients for which we serve as adviser or sub-adviser may be executed through the Alternative Trading System consistent with our duty to seek best execution. We and BNY Mellon disclaim that either is an affiliate of Kezar.

AFFILIATED BROKER-DEALERS AND INVESTMENT ADVISERS

We are affiliated with a significant number of advisers and broker-dealers. *Please see our Form ADV, Part 1A - Schedule D, Section 7.A for a list of our affiliated advisers and broker-dealers.* Several of our investment adviser affiliates have, collectively, a significant number of investment-related private funds for which a related person serves as sponsor, general partner or managing member (or equivalent), respectively. *Please refer to the Form ADV, Part 1A – Schedule D, Section 7.B for each of our affiliated investment advisers for information regarding such firm’s private funds (if applicable) and such firm’s Form ADV, Part 1A – Schedule D, Section 7.A for information regarding related persons that serve in a sponsor, general partner or managing member capacity (if applicable).*

Where we select the broker to effect purchases or sales of securities for client accounts, we use either an affiliated or unaffiliated broker (unless otherwise restricted by an agreement, law or regulation). We have an incentive to enter into transactions with an affiliated broker-dealer, in an effort to direct more commission dollars to the affiliate. However, we have broker selection policies in place that require our selection of a broker-dealer to be consistent with duty to seek best execution, and subject to any client and regulatory proscriptions. *Please see Item 12 below for more information on our broker selection process.* Certain unaffiliated broker-dealers that we use to execute trades for our clients

use a broker-dealer affiliated with us to clear those trades. In such cases, the clearing broker receives a clearance fee negotiated and paid by the executing broker-dealer. The decision to use an affiliate of ours in these circumstances is made by the unaffiliated executing broker-dealer, and we have no influence over whether a broker-dealer we select to execute client trades clears through one of our affiliates, or the related financial arrangement between them. In addition, we are typically unaware that the executing broker dealer has chosen to use one of our affiliates to clear such trades.

We provide sub-advisory services to certain affiliated registered investment companies by serving as a sub-adviser to BNY Mellon Investment Adviser, Inc. and to certain bank collective investment funds by serving as a sub-adviser to The Bank of New York Mellon. For such services, we receive a portion of the investment management fee received by BNY Mellon Investment Adviser, Inc. from each investment company, or a portion of the management fee received by The Bank of New York Mellon from each bank collective investment fund, to which the firm renders advice. In addition, we also provide sub-advisory services to other affiliated pooled investment vehicles within the BNY Mellon Group.

We may be prohibited or limited from effecting transactions for a client because of rules in the marketplace, foreign laws, or our own policies and procedures. In certain cases, we may face further limitations because of aggregation issues due to our relationship with affiliated investment management firms. *Please refer to item 6 above and Item 12, below, for a discussion of trade aggregation issues.*

AFFILIATED UNDERWRITERS

Our broker-dealer affiliates occasionally act as underwriter or as a member of the underwriting syndicate for certain new issue securities, which presents a conflict of interest because it creates an incentive for us to purchase these new issue securities in an effort to provide additional fees to the broker-dealer affiliate.

BNY Mellon has established a policy regarding purchases of securities in an offering in which an affiliate acts as an underwriter or as a member of the underwriting syndicate. In compliance with applicable banking, securities and ERISA regulations, we may purchase on behalf of our clients securities in an offering in which an affiliate is acting as an underwriter or as a member of the underwriting syndicate during the syndication period, as long as requirements of the policy, including written approval and compliance with certain investment criteria are met. The policy prohibits direct purchases from an affiliate for any fiduciary account under any circumstances.

AFFILIATED WRAP SPONSORS

We are a sub-advisor to various wrap programs sponsored by affiliates, such as BNYMSC and BNYMWM. With respect to accounts which are opened through the wrap programs for which Newton provides non-discretionary advisory model

account services, both affiliated and non-affiliated sponsors obtain advisory, brokerage, clearing, and other wrap program services from affiliates or directly from us, including among others, BNYMSC, Pershing LLC and BNY Mellon Advisors, Inc., formerly Lockwood Advisers, Inc. Our relationships with wrap program sponsors create conflicts of interest for the sponsors and us. A client in a wrap program has access to those investment advisers participating in the program. Wrap program sponsors typically select the investment advisers who participate in the program and provide advice to clients regarding the selection of an investment adviser from among the advisers participating in the program. If the wrap program sponsor is affiliated with us, the sponsor has an incentive to give us access to the program and to steer clients toward us, based on the affiliation rather than based on our expertise or performance or the client's needs. We are, however, subject to the same selection and review criteria as the other advisers who participate in our affiliates' wrap programs. Likewise, we, in the hope of gaining clients through a wrap program, have an incentive to execute brokerage transactions through the program sponsor (whether affiliated or unaffiliated), who in turn has the power to recommend us to program participants.

AFFILIATED BANKING INSTITUTIONS

BNY Mellon engages in trust and investment business through various banking institutions, including the Bank and BNY Mellon, National Association. These affiliated banking institutions provide certain services to us, such as recordkeeping, accounting, marketing services, and/or referrals of clients. We provide the affiliated banking institutions with sales and marketing materials regarding our investment management services that may be distributed under the name of certain marketing "umbrella designations" such as BNY Mellon, BNY Mellon Wealth Management, BNY Mellon IM, and BNY Mellon Investment Management EMEA.

Certain employees and related personnel are also officers of the Bank. In their capacity as officers of the Bank, our personnel provide administrative, operational and certain oversight services to certain collective investment funds of the Bank and we receive a fee for such services. In addition, our primarily institutional and employee benefit and foundation clients and our affiliated employee benefit plan may invest in certain collective investment funds of the Bank.

Certain clients have established custodial or sub-custodial arrangements with the Bank and other financial institutions that are affiliated with us. Furthermore, the Bank and other financial institutions that are affiliated with us provide services (such as trustee, custodial or administrative services) to issuers of securities. Because of their affiliation with us, our ability to purchase securities of such issuers and to take advantage of certain market opportunities may be subject to certain restrictions and in some cases, prohibited.

ITEM 11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS, PERSONAL TRADING

Newton has adopted a Code of Ethics policy that incorporates the following standards::

1. BNY Mellon Code of Conduct (the “BNY Mellon Code”); and
2. BNY Mellon personal securities trading policy (the “PSTP”)

The BNY Mellon Code of Conduct sets expectations for business conduct for employees and provides guidance on important legal and ethical issues. In addition, it clarifies the Firm’s responsibilities to clients, suppliers, government officials, competitors and the communities we serve. BNY Mellon’s Code of Conduct covers the following key principles:

1. Respecting Others: We are committed to fostering an inclusive workplace where talented people want to stay and develop their careers. Supporting a diverse, engaged workforce allows us to be successful in building trust, empowering teams, serving our clients and outperforming our peers. We give equal employment opportunity to all individuals in compliance with legal requirements and because it’s the right thing to do.
2. Avoiding Conflicts: We make our business decisions free from conflicting outside influences. Our business decisions are based on our duty to BNY Mellon and our clients, and are not driven by any personal interest or gain. We are to remain alert to any and all potential conflicts of interest and ensure that we identify and mitigate or eliminate any such conflicts.
3. Conducting Business: We secure business based on honest competition in the marketplace. This contributes to the success of our company, our clients and our shareholders. We compete while in full compliance with all applicable laws and regulations. We support worldwide efforts to combat financial corruption and financial crime.
4. Working with Governments: We follow all requirements that apply to doing business with governments. We recognize that practices for dealing with private and government clients are different from a legal perspective.
5. Protecting Company Assets: We ensure all entries made in the company’s books and records are complete and accurate, and comply with established accounting and record-keeping procedures. We maintain confidentiality of all forms of data and information entrusted to us, and prevent the misuse of information belonging to the company or any client.
6. Supporting Our Communities: We take active roles in our communities around the world, both as individuals and as a company. Our long-term success is linked to the strength of the global economy and the strength of our industry. We are honest, fair and transparent in our interactions with our communities and the public at large.

As a global financial institution, BNY Mellon and its subsidiaries (the “Company”) are subject to certain laws and/or regulations governing the personal trading of securities. In order to ensure that all employees’ personal investments are conducted in compliance with the applicable rules and regulations and are free from conflicts of interest, the Company has established limitations on personal trading, as reflected in the PTSP.

The PSTP sets forth procedures and limitations that govern the personal securities transactions of our employees in accounts held in their own names as well as accounts in which they have indirect ownership. We and our related persons and employees, may, under certain circumstances and consistent with the PSTP, purchase or sell for their own accounts securities that we also recommend to clients.

The PSTP imposes different requirements and limitations on employees based on the nature of their business activities for Newton. Each of our employees is generally classified as one of the following:

1. **Investment employee (“IE”)**: IE is an employee who, in the normal conduct of his/her job responsibilities, is on the “public side” of the Information Barrier in accordance with BNY Mellon’s Information Barrier Policy and has access (or is likely to be perceived to have access) to non-public information regarding any advisory client’s

purchase or sale of securities or non-public information regarding the portfolio holdings of any proprietary fund, is involved in making securities recommendations to advisory clients or has access to such recommendations before they are public.

2. **Access decision maker (“ADM”):** Generally, employees are considered to be ADM Employees if they are portfolio managers or research analysts and make or participate in recommendations or decisions regarding the purchase or sale of securities for mutual funds or managed accounts. Portfolio managers of broad-based index funds and traders are not typically classified as ADM Employees.

PSTP overview:

1. IEs and ADMs are subject to preclearance and personal securities reporting requirements, with respect to discretionary accounts in which they have direct or indirect ownership.
2. Transaction reporting is not required for non-discretionary accounts, transactions in exempt securities or certain other transactions that are not deemed to present any potential conflicts of interest.
3. Preclearance is not required for transactions involving certain exempt securities (such as ETFs and open-end investment company securities that are not proprietary funds or money market funds) and short-term instruments, non-financial commodities; transactions in non-discretionary accounts (approved accounts over which the employee has no direct or indirect influence or control over the investment decision-making process); transactions done pursuant to automatic investment plans; and certain other transactions detailed in the PSTP which are either involuntary or deemed not to present any potential conflict of interest.
4. BNYM have a “Preclearance Compliance Officer” who maintains a “restricted list” of companies whose securities are subject to trading restrictions. This list is used by the PTA system to determine whether or not to grant trading authorization.
5. The acquisition of any securities in a private placement requires prior written approvals.
6. With respect to transactions involving BNY Mellon securities, all employees are also prohibited from engaging in short sales, purchases on margin, option transactions (other than employee option plans), and short-term trading (i.e., purchasing and selling, or selling and purchasing BNY Mellon securities within any 60 calendar day period).
7. For IEs, and ADMs securities purchasing and selling, or selling and purchasing the same or equivalent security within 30 calendar days is prohibited, and any profits must be disgorged.
8. No covered employee should knowingly participate in or facilitate late trading, market timing or any other activity with respect to any fund in violation of applicable law or the provisions of such fund's disclosure documents.

A copy of the BNY Mellon's Code of Ethics will be provided upon request.

INTEREST IN CLIENT TRANSACTIONS

Note that while each of the following types of transactions present conflicts of interest for us, as described below, we manage the Firm's accounts consistent with all applicable laws, and we follow procedures that are reasonably designed to treat the Firm's clients fairly and to prevent any client or group of clients from being systematically favored or disadvantaged.

PRINCIPAL TRANSACTIONS

“Principal transactions” are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys any security from or sells any security to any client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated pooled investment vehicle and another client account. The Firm does not engage in principal transactions. We do not engage in principal transactions with respect to US-based clients.

CROSS TRANSACTIONS

From time to time securities to be sold on behalf of a client may be suitable for purchase by another client. In such instances, if we determine in good faith that the transaction is in the best interest of each client, then we will arrange for the securities to be transferred between the client accounts at an independently determined fair market value (a “cross

trade”). Cross trades present conflicts of interest, as there is an incentive for us to favor one client to the cross trade over the other. For example, if one client account pays performance fees to us, while the other client account pays only asset-based fees, we would have a financial incentive to favor the performance fee-paying account in the cross-trade. However, note that cross trades are subject to Advisers Act restrictions, and will only be undertaken by us as permitted and in compliance with applicable law. Newton does not carry out cross transactions with respect to US-based clients.

TRANSACTIONS IN SAME SECURITIES

We do not invest in securities for our own account for our benefit.

INTERESTS IN RECOMMENDED SECURITIES/PRODUCTS

The Firm has a fiduciary duty to manage all client accounts in a fair and equitable manner. We strive to provide the best execution of all securities transactions and aggregate and then allocate securities to client accounts in a fair and timely manner. To accomplish this, the Firm has implemented policies and procedures designed to mitigate and manage the potential conflicts of interest that may arise. A description of these policies and procedures is included below.

On occasion, we may recommend the purchase or sale of securities that are issued by our parent company, BNY Mellon, or underwritten by its affiliate, BNY Mellon Capital Markets, LLC, for client accounts if such recommendation or purchase or sale is in accordance with the client's guidelines and applicable law. In addition, we or a related person may recommend the purchase of securities in certain non-US public funds (e.g. UCITS funds) which we manage and for which we may serve as sole director or managing member or collective investment funds maintained by the Bank (to which our personnel in their roles as dual officers of the Bank provide administrative and operational services and for which we receive a fee and the Bank may receive a custodial fee for custody services). We, our employees, and our related persons currently invest in certain non-US public funds (e.g. UCITS funds) or collective funds that also include client assets managed by us, and we and such related persons receive proportional returns associated with our investment. Additionally, in many instances we receive an investment management fee in our capacity as investment adviser or sub-adviser and related persons (including affiliated broker-dealers) receive certain amounts associated with placement agent fees, custodial fees, administrative fees, loads, or sales charges.

INVESTMENTS BY RELATED PERSONS AND EMPLOYEES

We and our existing and future employees, our board members, and our affiliates and their employees from time to time invest in products managed by us. We have developed policies and procedures to address any related conflicts of interest created by such investments. We are part of a large diversified financial organization that includes banks and broker-dealers. As a result, it is possible that a related person may, as principal, purchase securities or sell securities for itself that we also recommend to clients. We do permit our employees to invest for their own account within the guidelines and restrictions of the Code of Ethics, as described above. *For more information, please see “Interests in Recommended Securities/Products” in this Item 11, and “Dual Officers and Employees” and “Affiliated Underwriters” in Item 10 with regard to purchases of securities in an offering where an affiliate acts as underwriter or a member of the underwriting syndicate.*

AGENCY TRANSACTIONS INVOLVING AFFILIATED BROKERS

Neither we nor any of our officers or directors, acting as broker or agent, effects securities transactions for compensation for any client. We are part of a large diversified financial organization that includes broker-dealers. As a result, it is possible that a related person, other than our officers and directors, may, as agent, effect securities transactions for our clients for compensation. *Please also see Item 10 and Item 12 for additional information relating to affiliate arrangements and with regard to purchases of securities in an offering where an affiliate acts as underwriter or a member of the underwriting. Please also see Schedule D, Section 7A of our Form ADV Part 1 for a list of broker-dealers which are our affiliates.*

FOREIGN EXCHANGE (FX) TRANSACTIONS

Newton effects FX transactions through an affiliate if the affiliate has been appointed as custodian by the client. In such transactions, Newton discloses this relationship, the capacity in which we act, and obtains the consent to so act, when the client opens its discretionary account. If at any time a client wishes to revoke its consent to such transactions, it may provide us with written notice and upon receipt of such notice, we will refrain from engaging in any future FX transactions with the affiliate on the client's behalf. Under no circumstances does Newton receive compensation in relation to such transactions from either the affiliate or the client. Portfolio transaction decisions for its clients are made independently by us and are not based upon the interests of a related person. No client is required by Newton to enter into a relationship with a related person as a condition to the establishment or continuation of an advisory relationship.

ITEM 12. BROKERAGE PRACTICES

BROKER SELECTION

Unless specifically directed otherwise by our clients, we have the authority to direct securities transactions on behalf of our clients to broker-dealers we select. All brokerage firms used by Newton are pre-approved via the Newton Counterparty approval process. Brokerage firms approved as part of this process are subject to an approval and ongoing monitoring process, which includes, but is not limited to, the broker's creditworthiness and financial stability, a review of the performance of execution services provided by the broker, and the broker's ability to trade effectively on our clients' behalf. Newton maintains a list of all brokerage firms and counterparties that have been approved. This list is available on request.

The decision as to which brokerage firm or counterparty to use is at the sole discretion of the Newton dealing team and depends on the circumstances of the particular order. Before the dealing team makes a decision, they typically consult the portfolio manager to ascertain the objectives for the order and their preferences in relation to the relative importance of the execution factors, in order that best execution is achieved for its clients. From time to time and consistent with its duty to seek best execution, Newton uses a brokerage firm or counterparty not on the list of approved brokers. Approval must be obtained on a one-off basis before any order is placed.

SOFT DOLLARS

Section 28(e) of the Securities Exchange Act of 1934 provides a safe harbor that allows an adviser to use dollars generated from brokerage commissions from client transactions ("soft dollars") to pay for brokerage and research services provided by broker-dealers or third parties.

The term 'soft dollars' is commonly understood to refer to arrangements where an investment adviser uses client (or fund) brokerage commissions to pay for research and brokerage services to be used by the investment adviser. Newton does not receive research or other products or services other than execution from a broker-dealer or third party in connection with client securities transactions. Newton's procures, records, evaluates and pays for externally produced investment research out of its own resources and consequently, the Firm does not receive research or other products or services other than execution from a broker-dealer or third party in connection with client securities transactions.

OTHER BROKERAGE PRACTICES - CONFLICTS OF INTEREST

The following brokerage practices may lead to an actual or potential conflict of interest when selecting broker-dealers to execute client trades:

1. receiving client referrals from a broker-dealer;
2. acting on a client's direction to use a particular broker-dealer; and
3. using affiliated broker-dealers.

As a prevention mechanism and as part of Newton's governance framework, various committees will review potential and identified conflicts of interest on an on-going basis. These committees include the Newton Board Risk Committee, Newton Risk & Compliance Committee and the Firm's Dealing and Oversight Group.

COMPENSATION FOR CLIENT REFERRALS

We do not direct securities transactions to any broker-dealer in exchange for referral of investment management clients.

DIRECTED BROKERAGE

Certain advisory clients direct Newton to place specific transactions for its account with a designated broker-dealer. Additionally, a client can instruct us to direct a portion of its commission to a specified broker-dealer. In the event that such direction occurs, we expect to have limited capability to negotiate commission levels or obtain volume discounts, and may experience other impediments to achieving best execution. In addition, in meeting the client's brokerage directive, we may not be able to aggregate these transactions with transactions that we effect for other accounts that we manage and we may delay placing the orders for directed transactions until our orders for other accounts have been completed. As a result, the net price paid or received by the directed account can be different than the price paid or received by our other accounts and therefore we may be unable to achieve the most favorable execution for such directed account. Accordingly, directing brokerage can, in many instances, cost clients more money. We may not carry out directed brokerage arrangements if we feel that we may not receive best execution for all our clients.

In the event that a client requests directed brokerage, under the rules of the United Kingdom's Financial Conduct Authority, Newton's duty to achieve best execution would only apply with respect to those aspects or parts of an order not covered by the directed brokerage instruction.

TRADE AGGREGATION AND TRADE ALLOCATION

Newton places orders for execution across multiple asset classes, including equity, derivatives, fixed income, collective investments and currencies. The Newton trading team places and executes instructions received from portfolio managers.

Newton has a dedicated trading team which handles these instructions as follows:

1. how instructions in the same security and the same direction (i.e. buy or sell) are aggregated; and
2. how the order proceeds or securities are allocated once an execution has been received.

Newton does not trade on its own account, and Newton does not handle any orders for BNY Mellon's own account. Therefore, client orders are not aggregated with those of Newton or BNY Mellon.

Typically, instructions for orders received by the Newton trading team are generated by portfolio managers taking decisions to buy or sell securities for client investment portfolios. Portfolios are managed on a side-by-side basis, as multiple investment portfolios with similar investment objectives are managed concurrently; each has the opportunity to participate in investment ideas generated by the same investment process. As a result of this shared investment process, in many cases multiple instructions will be received by the Newton dealing team for the same security in the same direction, either simultaneously or within the same trading day.

Aggregating instructions for the same security in the same direction into one order provides the opportunity to benefit from average pricing; however the effect of aggregation may also work to a client's disadvantage on a particular order. The Newton trading team seeks to minimize the potential for disadvantage to occur overall while ensuring that instructions received are treated in a fair manner.

It may not always be possible to fully complete all orders by the close of the trading day in the relevant market, for example due to insufficient liquidity, and this may result in a partial execution. The Newton trading team seeks to ensure that order proceeds and securities for both partial and full executions are allocated to order participants in a fair and equitable manner.

AGGREGATION OF ORDERS

Newton uses a material change notification process for equity, equity-like and fixed income instruments. Recognizing that Newton has a team-based approach for the allocation of investment ideas, Newton maintains that materially significant investment decisions should typically be expected to be implemented consistently across all portfolios within

the strategy. Newton defines a material change to any portfolio as a position change of 50 basis points (0.5%) or greater for a portfolio. For all instructions that meet this criterion for any account in a single or aggregated order an immediate notification is created and sent to Newton's investment team advising them of this change, enabling portfolio managers to join in with the decision, but subsequent trades are subject to Newton's process for trade aggregation which is the same as that which applies to all other orders.

PROGRAM TRADES

If the Newton trading team receives a program trade that contains orders whereby orders in the same security in the same direction have already been received by the dealing team, the dealers will not aggregate these orders with the existing orders, and allow the order to remain in the program trade if and only if the following conditions are met:

- The program order is small enough to have no material price impact on the security price in and of itself;
- That the program trade is a *bona fide* construct to minimise portfolio dispersion i.e. is a representative slice of the portfolio and not an investment decision per se;
- That the reason for the program trade is different from the existing trade, for reasons including but not limited to: client inflow/outflow, client termination, etc.

Where the trading team receives a program trade that contains orders in securities where the volume of each security to be traded represents a high percentage of the average daily volume (ADV), typically over 20%, the orders will typically be removed from the program trade and be treated as separate orders.

ALLOCATION OF FULLY COMPLETED ORDERS

Once an order has been fully completed (fully executed in the market), the proceeds or securities are promptly allocated in full to all order participants. Typically, this occurs within two hours of the order completion or 'open period' finishing, if during normal office hours or promptly the following morning if completed outside of normal office hours.

ALLOCATION OF PARTIALLY COMPLETED ORDERS

Where it has not been possible to fully complete an order by the close of the trading day in the relevant market, the partial execution is allocated promptly to each order participant (a 'partial allocation'). Typically, this occurs within two hours of the close of the relevant market if during normal office hours, or promptly the following morning if completed outside of normal office hours. The residual balance of the order is held over for the next trading day.

Allocations are made on a pro-rata basis for equities, derivatives, investments in collective investment schemes and currencies.

For fixed income, allocations are made on a pro-rata basis unless this would leave a participant with a position, which does not meet the minimum piece size; this is upheld for both buy and sell orders. Where this occurs, the balance forms a 'residual allocation balance' which is allocated to an order participant (selected on a random basis) who did meet the minimum piece size based on their pro-rata allocation.

TRADING IN INITIAL PUBLIC OFFERINGS

Newton has a written procedure in place for initial public offering (IPO) trading. IPO securities are allocated on a pro rata basis, subject to the above stipulation with respect to minimum trade size for fixed income trades.

TRADE COORDINATION

As described in Item 4, the Firm and NIMNA LLC seek to optimize the extent to which each can share between the two firms internally generated investment research and/or research recommendations with a view to enhancing the research and investment opportunities for all portfolios managed by both firms. A trade coordination process is in place to notify the respective trading functions of both Firms when dealing in the same security in the same direction above a pre-agreed combined liquidity threshold. Both Firms work to coordinate execution between them to optimise the market participation of the trades to avoid price impact and ensure fair allocation between both sets of client executions.

TRADE ERRORS

Newton's policy is to put the client in the position it would have been had the error not occurred. Newton applies zero threshold to errors and therefore captures all identified errors and near misses irrespective of the size of the potential gain or loss. In calculating any potential compensation all relevant factors will be considered. If the error results in a loss to the client, the client shall be compensated for such loss. In determining the amount of loss, Newton works with the client to determine an appropriate method of calculation considering circumstances surrounding the error. If the error gives rise to an absolute profit, the client shall retain the profit. If the error gives rise to both a profit and a loss, Newton in most instances aggregates the profit and the loss and only compensates the client the net amount of any such profit or loss. If a trade is duplicated in error, the client will receive the price related to the original (first) transaction. Any loss or gain from the erroneous duplicate transaction will be borne by the Firm.

ITEM 13. REVIEW OF ACCOUNTS

Newton's portfolio managers and/or client relationship managers take steps to review all client accounts with the client at least once a year or more frequently as agreed. Ad hoc reviews also occur and can be triggered by a number of different factors, for example, a change of portfolio manager. These reviews are typically carried out via face-to-face meetings or conference calls and typically involve a detailed analysis of the portfolio.

Where appropriate, each client receives a report on the performance of their portfolio on a quarterly basis. Such reports generally include a comparison of performance against the agreed benchmark and a market commentary. Additionally, most clients receive a portfolio valuation and accompanying cash and trading statements on a monthly basis.

Where clients have provided a specific instruction, we send out the Firm's monthly valuation reports within eight (8) working days of the month end. Quarterly reports are generally sent out within eighteen (18) working days after the end of the previous quarter.

ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION

AFFILIATED MARKETERS

Affiliated Solicitors and Placement Agents. From time to time we pay referral fees to our affiliates (and/or their employees) for referrals that result in additional investment management business. These arrangements include certain registered representatives of BNYMSC that offer sales and marketing services to clients in North America on behalf of the Firm. There is a financial arrangement in place between us and BNYMSC. Please see the discussion of affiliated placement agents in Item 10, above.

In addition, certain employees of our affiliate, NIMNA LLC, offer sales and marketing services with respect to Newton's investment strategy capabilities to clients in North America on behalf of the Firm for which a financial arrangement is in place between us and NIMNA LLC. Clients are not responsible for paying any fees to NIMNA LLC, and the fees Newton charges to the client will not be increased as a result of this arrangement between NIM and NIMNA LLC.

In certain circumstances our sales representatives or other Investment Management sales representatives are paid fees for sales. The fees may be based on revenues and can take the form of a one-time payment or may be paid out over a number of years. In addition, our sales representatives and sales representatives of our affiliates within the Investment Management Group are paid for intra-Group referrals to Group counterparts. Those fees are based on the first year's revenue for the Group counterpart.

Our ultimate parent, BNY Mellon, has organized its lines of business into different groups (collectively "Groups"). We are part of the Investment Management Group.

We may pay a fee to an affiliate that has a pre-existing relationship with a new client of the Groups. The fees may be based on revenues and may provide for a one-time payment or payments over a number of years.

Receipt of compensation in connection with the sale of products in which Newton is the sub investment manager and services gives rise to a conflict of interest in that it gives our affiliates an incentive to recommend investment products and services based on the compensation they will receive, rather than solely on a client's needs.

Unaffiliated Solicitors and Placement Agents. From time to time we engage unaffiliated third parties to solicit new investment advisory clients. The commissions or fees, if any, payable to such solicitors (also referred to as placement agents) with respect to solicitation of investments with us will be paid solely by us. Clients will not pay fees for these solicitations. These solicitors have an incentive for the client to hire us because we will pay the solicitor for the referral. The prospect of receiving solicitation/placement fees provide such placement agents and/or their sales persons an incentive to favor these sales over the sale of other investments with respect to which the placement agent does not receive such compensation, or receives lower levels of compensation. In addition, to the extent permitted by law, certain placement agents and their respective affiliates provide brokerage and certain other financial and securities services to us or our affiliates. Such services, if any, will be provided at competitive rates.

ITEM 15. CUSTODY

Rule 206(4)-2 under the Advisers Act (the “Custody Rule”) defines “custody” to include a situation in which an adviser or a related person holds, directly or indirectly, client funds or securities or has any authority to obtain possession of them, in connection with advisory services provided by the adviser.

For purposes of the Custody Rule, we are deemed to have “custody” of certain client assets because certain client funds or securities are held by qualified custodians owned and controlled by The Bank (a related person of Newton). Our related persons serve as general partner/ managing member/trustee (or similar capacity) of investment funds organized as limited partnership/limited liability company/trust and actually maintain possession of client funds or securities for clients whose funds and securities are managed by Newton.

Generally, an adviser that is deemed to have custody of a client’s funds or securities, among other things, is required to arrange for an annual independent verification of such funds or securities in accordance with the Custody Rule (the “Surprise Exam Requirement”). However, the Custody Rule contains an exception from the Surprise Exam Requirement:

1. **Ability to Deduct Fees:** advisers deemed to have custody of client assets solely because of their ability to deduct fees from client accounts are not subject to the Surprise Exam Requirement.
2. **Related Person & Operational Independence:** advisers deemed to have custody of client assets solely because a related person holds client assets will not be subject to the Surprise Exam Requirement, **provided** the adviser and the related person are “operationally independent.”
3. **Pooled Investment Vehicles:** advisers deemed to have custody of the assets of clients formed as pooled investment vehicles will not be subject to the Surprise Exam Requirement, **provided** the pool has audited financial statements that are prepared in accordance with generally accepted accounting principles and such statements are distributed to investors in the pool within 120 days (or 180 days for funds of funds) of the end of the pool’s fiscal year.

We have determined that our operations are independent from those of the Bank as well as other BNY Mellon group qualified custodians holding client funds and securities belonging to the Firm’s clients. Furthermore, under the terms of the agreements between our clients and the qualified custodians, the Firm does not have any authority over the assets and funds within the account beyond discretionary trading authority. Investors in pooled investment vehicles subject to the Custody Rule will receive audited financial statements prepared in accordance with generally accepted accounting principles and audited by an independent public accountant within 120 days of the end of the fiscal year of the pooled investment vehicle.

Discretionary investment advisory clients contracted directly with Newton should regularly receive from your appointed bank, broker-dealer or other qualified custodian an account statement, identifying the amount of funds and each security in the account at the end of the period and setting forth all transactions in the account during that period. Please review these statements carefully. You will also receive account statements separately from us. You are strongly urged to compare the account statements you receive from us with those that you receive from your qualified custodian.

PHYSICAL CUSTODY

We do not maintain physical possession of client assets held in separately managed accounts. Typically, each of our clients independently selects a custodian with whom it contracts directly. Our authority to instruct the client’s custodian is limited to that granted by the client to us in the respective investment management agreement.

ITEM 16. INVESTMENT DISCRETION

For separate accounts, Newton typically receives discretionary investment authority over client assets, and clients must grant this discretionary authority to Newton in writing via a contract (otherwise known as an investment management agreement) and/or through an appointment to become the investment adviser of a private fund. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objective(s), guidelines, permissions and restrictions for the particular client account together with all applicable laws and as agreed between Newton and client. In most instances the investment guidelines and restrictions to be adhered to will be written and attached as Schedule(s) to the investment management agreement. For pooled investment vehicles, the Firm also has discretionary investment authority, and must adhere to and follow the investment objective(s) and set of investment policies and/or guidelines of the vehicle rather than tailoring to individual client needs. These vehicles are not able to impose individual investment restrictions on the Firm's investment strategies for underlying investors in these pooled investment vehicles.

Clients must deliver their investment guidelines and restrictions to us in writing, and we will adhere to such guidelines and restrictions when making investment decisions.

ITEM 17. VOTING CLIENT SECURITIES

As part of the contractual relationship between us and our clients, typically through an investment management agreement, a client may delegate to us its right to exercise voting authority in connection with the securities we manage for that client. Voting rights are most commonly exercised by casting votes by proxy at shareholder meetings on matters that have been submitted to shareholders for approval. Consistent with applicable rules under the Advisers Act, we have adopted and implemented written proxy voting policies and procedures that are reasonably designed: (1) to vote proxies, consistent with our fiduciary obligations, in the best interests of clients; and (2) to prevent conflicts of interest from influencing proxy voting decisions made on behalf of clients. We provide these proxy voting services as part of our investment management service to client accounts and do not separately charge a fee for this service.

We are open to receiving clients' views on voting matters but clients that have granted us with voting authority are not permitted, routinely, to direct us on how to vote in a particular solicitation. However, for example, should we identify that a client has filed or co-filed a shareholder resolution at a company's shareholder meeting, we would seek to support the resolution as it relates to the clients' invested capital in the security that has been used to enable the filing of the resolution.

Clients that have not granted us voting authority over securities held in their accounts will receive their proxies in accordance with the arrangements they have made with their service providers. We generally do not provide proxy voting recommendations to clients who have not granted us voting authority over their securities.

Newton votes on behalf of our clients where we have been authorized to do so. We seek to make proxy voting decisions that are in the best long-term financial interests of our clients.

All voting decisions are based on Newton's voting guidelines. We have used the services of an independent voting service provider to translate these guidelines into explicit voting actions forming a bespoke voting policy. This policy is applied to all our votable holdings, enabling a universal approach to our voting while allowing us to deploy in-depth case-by-case analysis from the stewardship team for those issuers and/or proposals which merit greater focus due to the materiality of our investment or the importance of the issue at hand (e.g., shareholder resolution, corporate action, related-party transactions). In these instances, communication with or input from the wider investment team may be sought, as well as, if relevant, engagement with the investee company. The stewardship team retains the ultimate discretion to deviate the vote instruction from Newton's bespoke policy's recommendation.

Our active approach to voting means that our voting decisions reflect our investment rationale and take into consideration engagement activity, if any, and the investee company's approach to relevant codes, market practices and regulations. These are in all instances applied to the investee company's unique situation.

In general, voting decisions are taken consistently across all Newton's clients that are invested in the same underlying company. This is in line with Newton's investment process that focuses on the long-term success and profitability of the investee company. Further, it is Newton's intention to exercise voting rights in all circumstances where it retains voting authority.

For separate account clients that have afforded Newton voting discretion, it is Newton's intention to exercise voting rights in all markets. In certain markets, shares may be 'blocked' when exercising voting rights. In these instances, Newton will only exercise voting rights when it is in the best interests of our clients.

Potential Conflicts of interest may arise such as:

1. We manage assets for a company whose management is soliciting proxies
2. BNY Mellon executives acting as board members of a investee company whose management is soliciting proxies (see below)
3. We have a business or personal relationship with participants in a proxy contest

BNY Mellon Proxy Conflicts Policy; Proxy Conflicts Committee

Under certain circumstances, BNY Mellon has determined that it may not be appropriate for its subsidiaries and business units with discretionary authority to vote proxies on behalf of clients, including us (each, a "Voting Firm"), and has established a Proxy Voting Conflicts Policy (the "BNYM Policy") that sets forth the required actions and reporting of Voting Firms when actual or potential conflicts of interest involving BNY Mellon arise. The BNYM Policy identifies several specific types of proxy solicitations that are considered "Primary Conflicts" for all Voting Firms. Primary Conflicts typically arise when proxies are issued by BNY Mellon or by a pooled vehicle when relating to services provided by a BNY Mellon affiliate and may also arise due to relationships between a proxy issuer and BNY Mellon or BNY Mellon's Chief Executive Officer or Board of Directors. The BNYM Policy directs the manner in which such Primary Conflicts are to be addressed (e.g., application of pre-determined, written guidelines, client consent, or delegation to an independent fiduciary). The BNYM Policy also identifies as "Secondary Conflicts" situations that, while not identified as a Primary Conflict, may present an actual, potential or perceived material conflict for Voting Firms because of a relationship between a proxy issuer and BNY Mellon or its executive officers or Board of Directors.

When Primary Conflicts or Secondary Conflicts occur the voting recommendations of an independent third-party proxy service provider will be applied. In the situation where the independent fiduciary (ISS) is also conflicted, we would abstain from voting. Newton meets with ISS on a periodic basis and as part of this meeting discusses ISS' conflicts of interests.

We are also subject to the policies and decisions of BNY Mellon's Proxy Conflicts Committee (the "PCC"). Among other responsibilities, BNY Mellon has empowered the PCC to maintain, interpret and effect the BNYM Policy. If a Voting Firm needs interpretive guidance concerning a Primary Conflict, the PCC shall review the matter, and (in the case of identified conflicts) determine how best to resolve the conflict (e.g., independent fiduciary, abstention, or mirror voting). In addition to the BNYM PCC Newton has decided to implement its own process for reviewing such conflicts (including secondary conflicts), with material conflicts being reported to the Newton Conflicts of Interest Committee.

Newton does not engage in securities lending on behalf of its clients; this activity is at the discretion of individual clients. For certain funds that are managed by BNY Mellon, and where Newton is appointed as investment manager or sub-advisor, the fund boards have entered into securities-lending programmes. In such cases, we may be unable to monitor loaned securities or recall/restrict securities from being loaned, and we will be unable to exercise the voting rights attached to any loaned securities.

Where we plan to vote against management on an issue, we may engage with the company in order to provide an opportunity for our concerns to be allayed. We may also advise management of how we have voted after the meeting should we consider such engagement to be useful in an effort to avoid a repeat situation and ultimately an improvement at the company. We do not communicate our voting intentions ahead of the meeting to third parties.

Newton's Governance Principles and Voting Guidelines and voting records can be found on our website. Clients may receive quarterly reports upon request, if not already provided on the Firm's website.

ITEM 18. FINANCIAL INFORMATION

In certain circumstances, registered investment advisers are required to provide you with financial information or disclosures about their financial condition in this Item. Newton has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has never been the subject of a bankruptcy proceeding.