

PART 2A OF FORM ADV: FIRM BROCHURE

ITEM 1. COVER PAGE

**BESSEMER INVESTMENT MANAGEMENT LLC**  
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**New York, New York 10020**  
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**This brochure provides information about the qualifications and business practices of Bessemer Investment Management LLC. If you have any questions about the contents of this brochure, please contact Ritu Gupta by telephone at 212-651-1011. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.**

**Additional information about Bessemer Investment Management LLC also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The use of the terms “registered investment adviser” or “registered” by us does not imply a certain level of skill or training.**

March 25, 2024

## ITEM 2. MATERIAL CHANGES

Since our last annual update to this brochure, dated March 28, 2023, we have updated our fee schedule in Item 1 to reflect the fees charged for our new Short-Term Bond strategy, updated the list of sub-advisers contained in Item 5, and updated the investment strategies and risk disclosures contained in Item 8.

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#### ITEM 4. ADVISORY BUSINESS

Bessemer Investment Management LLC (“BIM” or “We” or “Our”) was formed in 2001 and is a wholly-owned subsidiary of Bessemer Trust Company, N.A. (“BTNA”), a national banking association which in turn is a wholly-owned subsidiary of The Bessemer Group, Incorporated (“BGI”). BTNA and other subsidiaries of BGI advise or provide investment, fiduciary and personal banking services with total assets under supervision of approximately \$219 billion as of December 31, 2023. We act as discretionary investment adviser to Old Westbury Funds, Inc, a family of affiliated mutual funds (each, a “Fund”) registered under the Investment Company Act of 1940, as amended, and oversee sub-advisers who are responsible for making the day-to-day investment decisions for a portion of Old Westbury Funds, Inc.’s assets. We also provide non-discretionary advisory services, including information regarding our model portfolios, to BTNA. BTNA, however, retains discretionary authority over its investment advisory accounts and makes all investment decisions and recommendations for these accounts. As of December 31, 2023, our discretionary assets under management were approximately \$42 billion.

#### ITEM 5. FEES AND COMPENSATION

In connection with our advisory services, we charge an annual fee based on a percentage of the net assets managed or advised, valued at market. Our fees are negotiable and may either be refunded or pro-rated upon the termination of the investment management agreement.

With respect to discretionary investment management service, these clients, including the Funds, will also incur charges imposed directly by the client’s custodian, brokerage and other transaction charges imposed by the broker dealer executing transactions for the client’s account, and fees and expenses imposed directly by mutual funds, including exchange-traded funds, held in a client’s account. For further discussion concerning our brokerage practices see Item 12 below.

##### Investment Companies Management

We receive an advisory fee from each Fund, computed daily and payable monthly in arrears, in accordance with the following schedule:

<b><u>Fund</u></b>	<b><u>Advisory Fee Rate</u></b> <b><u>Average Net Assets</u></b>
Old Westbury All Cap Core Fund	First \$500 million - 0.75% \$500 million to \$1 billion - 0.70% Over \$1 billion - 0.65%

<b><u>Fund</u></b>	<b><u>Advisory Fee Rate Average Net Assets</u></b>
Old Westbury Fixed Income Fund	First \$500 million - 0.45% \$500 million to \$1 billion - 0.40% Over \$1 billion - 0.35%
Old Westbury Municipal Bond Fund	First \$500 million - 0.45% \$500 million to \$1 billion - 0.40% Over \$1 billion - 0.35%
Old Westbury New York Municipal Bond Fund	First \$500 million - 0.45% \$500 million to \$1 billion - 0.40% Over \$1 billion - 0.35%
Old Westbury California Municipal Bond Fund	First \$500 million - 0.45% \$500 million to \$1 billion - 0.40% Over \$1 billion - 0.35%
Old Westbury Small & Mid Cap Strategies Fund	0.85%
Old Westbury Short-Term Bond Fund	0.32%
Old Westbury Credit Income Fund	First \$500 million - 0.65% \$500 million to \$1 billion - 0.60% Over \$1 billion - 0.55%
Old Westbury Large Cap Strategies Fund	First \$1.25 billion - 0.90% \$1.25 billion to \$2.5 billion - 0.85% Over \$2.5 billion - 0.80%

The Prospectus, Statement of Additional Information and/or the shareholder reports for Old Westbury Funds, Inc. have more information about us, the fees and expenses of the Funds (including any fee waivers), and the other service providers of Old Westbury Funds, Inc.

We oversee the following sub-advisers who are responsible for making the day-to-day investment decisions for a portion of Old Westbury Funds, Inc.'s assets. We pay each of the sub-advisers a percentage of our advisory fees, set forth above, that we receive from a sub-advised Fund.

#### Sub-Advisers

Acadian Asset Management LLC (“Acadian”), located at 260 Franklin Street, Boston, MA, 02110, serves as a sub-adviser to the Old Westbury Small & Mid Cap Strategies Fund. In this capacity, Acadian is responsible for the day-to-day management of a portion of the Old Westbury Small & Mid Cap Strategies Fund subject to our oversight.

Aikya Investment Management Limited (“Aikya”), located at Octagon Point, 5 Cheapside, London, England EC2V 6AA, serves as sub-adviser to the Old Westbury Large Cap Strategies Fund. In this capacity, Aikya is responsible for the day-to-day management of a portion of the Old Westbury Large Cap Strategies Fund subject to our oversight.

Artisan Partners Limited Partnership (“Artisan”), located at 875 East Wisconsin Avenue, Milwaukee, WI, 53202, serves as a sub-adviser to the Old Westbury Small & Mid Cap Strategies Fund. In this capacity, Artisan is responsible for the day-to-day management of a portion of the Old Westbury Small & Mid Cap Strategies Fund subject to our oversight.

Baillie Gifford Overseas Limited (“Baillie Gifford”), located at Calton Square, 1 Greenside Row, Edinburgh, EH1 3AN, Scotland, serves as a sub-adviser to the Old Westbury Small & Mid Cap Strategies Fund. In this capacity, Baillie Gifford is responsible for the day-to-day management of a portion of the Old Westbury Small & Mid Cap Strategies Fund subject to our oversight.

BlackRock Financial Management Inc. (“BlackRock”), located at 50 Hudson Yards, New York, NY 10001, serves as a sub-adviser to the Old Westbury Credit Income Fund. In this capacity, BlackRock is responsible for the day-to-day management of a portion of the Old Westbury Credit Income Fund subject to our oversight.

Champlain Investment Partners, LLC (“Champlain”), located at 180 Battery Street, Burlington, Vermont 05401, serves as a sub-adviser to the Old Westbury Small & Mid Cap Strategies Fund. In this capacity, Champlain is responsible for the day-to-day management of a portion of the Old Westbury Small & Mid Cap Strategies Fund subject to our oversight.

Muzinich & Co., Inc. (“Muzinich”), located at 450 Park Avenue, New York, New York 10022, serves as a sub-adviser to the Old Westbury Credit Income Fund. In this capacity, Muzinich is responsible for the day-to-day management of a portion of the Old Westbury Credit Income Fund subject to our oversight.

Polunin Capital Partners Limited (“Polunin”), located at 10 Cavalry Square London, SW3 4RB, United Kingdom, serves as a sub-adviser to the Old Westbury Small & Mid Cap Strategies Fund. In this capacity, Polunin is responsible for the day-to-day management of a portion of the Old Westbury Small & Mid Cap Strategies Fund subject to our oversight.

Sands Capital Management, LLC (“Sands”), located at 1000 Wilson Boulevard, Arlington, Virginia, 22209, serves as a sub-adviser to the Old Westbury Large Cap Strategies Fund. In this capacity, Sands is responsible for the day-to-day management of a portion of the Old Westbury Large Cap Strategies Fund subject to our oversight.

#### Non-Discretionary Advisory Services

We provide non-discretionary investment advisory services to BTNA, an affiliate, in accordance with bank/regulatory standards. We receive a fee from BTNA, paid quarterly in arrears, in accordance with the following fee schedule:

<u>Portfolio</u>	<u>Fee Rate</u>
U.S. Equities	0.20%
Fixed Income	0.05%
Non-US Equities	0.40%

The fee is equal to the product of the total assets of the portfolios managed or advised by BTNA multiplied by the fee rate specified.

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

We do not charge performance-based fees.

#### ITEM 7. TYPES OF CLIENTS

We provide advisory services to investment companies and banking institutions.

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

##### **Methods of Analysis and Investment Strategies**

Fundamental and quantitative research underpin our security selection process. We use a disciplined investment process focused on expected earnings growth and valuation. Sector and country allocations are driven by stock selection and/or by an assessment of top-down, fundamental prospects. In addition to qualitative research, we use quantitative tools across all disciplines. Our proprietary analytics help us screen stocks, develop financial models, assess valuations, and monitor portfolio risk. We may also employ our quantitative processes to choose securities for client accounts. In building a client's portfolio, we look to maximize portfolio returns at a given level of risk by selecting attractive securities based on fundamental research, valuation metrics, and volatility analysis.

We may employ various investment strategies to seek to achieve a client's investment objective. We may invest in U.S. and non-U.S. companies (representing large, medium, and small market capitalizations), debt instruments, fixed-income securities, municipal securities, inflation-protected securities such as Treasury Inflation Protected Securities, debt-linked and commodity-linked instruments, high-yield and lower-grade securities, convertible securities, structured notes, preferred securities, private placements, real estate investment trusts, municipal securities, exchange-traded funds, among others. We may invest client assets in securities of other investment companies, including Exchange Traded Funds ("ETFs"), as an efficient means of carrying out their investment policies. Investment companies, including ETFs, incur certain expenses such as management fees, and,

therefore, any investment in shares of other investment companies may be subject to such additional expenses. We may also engage in short selling and enter into derivative transactions, such as credit default, total return, interest rate, commodity, equity and volatility swaps; equity and currency options; futures and options on futures; and forward foreign currency exchange contracts. We may use derivative instruments for hedging and speculative purposes.

### ***Specific Strategies***

The strategies we employ in managing client assets may include the following:

All Cap Core. Seeks long-term capital appreciation by investing in a diversified portfolio of equities across market capitalizations, primarily in developed markets. We may invest in what generally are considered small-cap stocks, mid-cap stocks and large-cap stocks. We may focus our investments in one of those categories, two of them or all of them, and may change the allocation of investments at any time.

Large Cap Strategies. Seeks long-term capital appreciation by investing in a diversified portfolio of equities throughout the world, including emerging markets. Under normal circumstances, at least 80% of the strategy's net assets is invested in securities of large capitalization companies. We currently define large capitalization companies as companies having, at the time of initial investment, a market capitalization equal to or greater than the largest 70% by market capitalization of the companies that comprise the MSCI ACWI Investable Market Index.

Large Cap Core. Seeks sustainably-growing, high-quality companies that exhibit attractive valuations and improving fundamentals. We typically seek to identify sustainably-growing high-quality companies with discount valuations as we believe improving growth and quality create even larger valuation discount that could have large upside potential when the market recognizes improvements. Our investment process includes fundamental research and quantitative screens.

Large Cap Global. Seeks long-term capital appreciation by investing in a diversified, concentrated portfolio of high-quality companies with sustainable competitive advantages. We typically seek companies with leading positions in stable industries, strong return on invested capital or ROIC, cash flow, and attractive valuations. Our investment process includes fundamental research and quantitative screens.

Large Cap U.S. Select. Seeks total return by investing in companies with potential for long-term cash flow, dividend growth, and above market dividend yield (targeted at or above 125% of the yield of the S&P 500 Index). We invest in a diversified and concentrated portfolio of U.S. companies with long-term horizon. Our investment process includes fundamental research and quantitative screens.

U.S. Select Maximized Dividend. Seeks total return with an increased income focus that aims to deliver dividend yield at or above 175% of the yield of the S&P 500 Index. We



invest in a diversified and concentrated portfolio of U.S. companies with long-term horizon. Our investment process includes fundamental research and quantitative screens.

Developed International Large Cap. Designed to be an all-weather strategy that can potentially, over time, outperform non-U.S. large cap stocks in developed markets. This strategy employs a quantitative approach with additional fundamental oversight to identify companies with attractive levels of quality relative to their valuation and where valuations are improving.

Disciplined Equity. A quantitatively driven strategy that seeks to invest in high-quality companies that embrace strong capital decision, low business risk, attractive valuation, and positive market sentiment. It may track the characteristics of a market index while seeking to actively capture excess returns associated with the fundamental drivers of long-term stock returns: strong quality, strong capital decisions, low business risk, attractive valuation, and positive market sentiment via stock selection and portfolio construction.

Small & Mid Cap Strategies. Seeks long-term capital appreciation by investing in a broad, diversified portfolio of securities of small and medium capitalization companies traded on a principal U.S. exchange or U.S. over-the-counter market, and securities of small and medium capitalization non-U.S. companies in foreign countries, including emerging markets. Under normal circumstances, at least 80% of the strategy's net assets, including borrowings for investment purposes, is invested in securities of small and medium capitalization companies. We currently define small and medium capitalization companies as companies having, at the time of initial investment, a market capitalization not greater than the smallest 40% by market capitalization of the companies that comprise the MSCI ACWI Investable Market Index.

Small & Mid Cap Core. Seeks to identify companies with sustainable competitive advantages, as measured by highly visible cash flow generation, reasonable capital needs, and aligned management teams. The strategy makes investments when these companies are trading below their intrinsic value. The portfolio is concentrated, typically 25-35 holdings. Our investment process includes fundamental research and quantitative screens.

U.S. Small Cap. Seeks to outperform the Russell 2000 Index through market cycles by investing in companies with durable competitive advantages that can potentially manifest in attractive returns through market cycles. We focus on companies that have the following criteria: (i) management that prioritizes capital allocation; (ii) differentiated business model or unique advantage; (iii) leadership position in a promising business market; (iv) earnings and free cash flow or visible path to both; and (v) fair valuation relative to business prospects. Our investment process includes fundamental research and quantitative screens.

Credit Income. Seeks primarily income with capital appreciation as a secondary objective. This strategy may invest in debt or debt linked instruments of any credit rating and there are no limits on investments in high-yield bonds. Under normal market circumstances, 80% of the strategy's net assets, including any borrowing for investment purposes, is invested in credit instruments and derivative instruments that are linked to, or provide

investment exposure to, credit instruments, including short exposure. We define credit instruments broadly to include any debt or debt linked instruments, including corporate and sovereign bonds, leveraged loans (or bank loans), municipal securities, preferred securities, convertible securities and securitized instruments (including mortgage-and asset-backed securities). There is no limit in our investments in securities issued by foreign issuers, including issuers in emerging markets, although the strategy's overall net exposure to non-U.S. currencies through direct holdings and derivatives is normally limited to 25% of its net assets. The strategy may invest up to 20% of its net assets in long and short positions in equity securities, including common stocks, warrants, and other equity securities in addition to derivatives that provide exposure to equity securities.

**Fixed Income.** Seeks total return, consisting of current income and capital appreciation. This strategy primarily invests in a diversified portfolio of government bonds, investment-grade corporate bonds, asset-backed securities, and notes of any maturity. Under normal market circumstances, at least 80% of the strategy's net assets, plus borrowings for investment purposes, is invested in investment-grade fixed income securities including corporate, asset-backed, mortgage-backed, and U.S. government securities. We may invest in futures and options, exchange-traded funds, convertible securities, municipal securities, and inflation-protected securities such as treasury inflation protected securities and similar bonds issued by governments outside of the U.S. The fixed income securities investments may be of any maturity. We employ interest-rates and the yield curve by: (i) setting duration exposure based on macroeconomic outlook and interest-rate expectations; and (ii) implementing tactical yield-curve positioning (barbell, ladder, and bullet) based on fundamentals of the interest-rate cycle.

**Municipal Bond.** Seeks total return, consisting of capital appreciation that is exempt from regular federal income tax and current income. This strategy invests in a diversified portfolio of investment-grade municipal securities, which include tax-free debt securities of states, territories, and possessions of the U.S. and political subdivisions and taxing authorities of these entities. Under normal market circumstances, at least 80% of the strategy's net assets plus investment borrowings, is invested in instruments the income from which is exempt from federal income tax, but not necessarily the federal alternative minimum tax. Also, at least 80% of the strategy's net assets, plus borrowings for investment purposes, is invested in municipal bonds. We may invest in futures and options, exchange-traded funds, U.S. treasury securities, securities subject to the federal alternative minimum tax, taxable municipal bonds, and inflation-protected securities such as treasury inflation protected securities and similar bonds issued by governments outside the U.S. The fixed income securities investments may be of any maturity.

**California Municipal Bond.** Seeks total return consisting of current income that is exempt from regular federal income tax and California income tax and capital appreciation. This strategy invests in a non-diversified portfolio of investment grade municipal securities primarily issued by California, its political subdivisions and taxing authorities, and generally exempt from regular federal and state taxation. Under normal market circumstances, at least 80% of the strategy's net assets, plus investment borrowings, is invested in instruments the income from which is exempt from federal income tax and California income tax, but not necessarily the federal alternative minimum tax. We may

invest in futures and options, exchange-traded funds, U.S. treasury securities, securities subject to the federal alternative minimum tax, taxable municipal bonds, and inflation-protected securities such as treasury inflation protected securities or similar bonds issued by governments outside of the U.S. The fixed income securities investments may be of any maturity. We seek to identify and exploit market aberrations (e.g., supply/demand imbalances) to increase relative return.

New York Municipal Bond. Seeks total return consisting current income that is exempt from regular federal income tax and New York income tax and capital appreciation. This strategy invests in a non-diversified portfolio of investment grade municipal securities primarily issued by New York, its political subdivisions and taxing authorities, and generally exempt from regular federal and state taxation. Under normal market circumstances, at least 80% of the strategy's net assets, plus investment borrowings, is invested in instruments the income from which is exempt from federal income tax and New York income tax, but not necessarily the federal alternative minimum tax. We may invest in futures and options, exchange-traded funds, U.S. treasury securities, securities subject to the federal alternative minimum tax, taxable municipal bonds, and inflation-protected securities such as treasury inflation protected securities or similar bonds issued by governments outside of the U.S. The fixed income securities investments may be of any maturity. We seek to identify and exploit market aberrations (e.g., supply/demand imbalances) to increase relative return.

Short-Term Bond. Seeks primarily income with capital appreciation as a secondary objective. This strategy invests primarily in a diversified portfolio of short- and intermediate-term investment-grade fixed income securities, including sovereign, corporate, asset-backed, money market securities, bank obligations, foreign securities, and U.S. government securities. Under normal market circumstances, at least 80% of the strategy's net assets, plus borrowings for investment purposes, in investment-grade fixed income securities including sovereign corporate, asset-backed, money market securities, bank obligations, foreign securities (including securities of issuers in emerging markets and non-U.S. dollar-denominated securities) and U.S. government securities. We may invest in futures, forwards and options, exchange-traded funds, municipal securities, and inflation-protected securities such as treasury inflation securities and similar bonds issued by governments outside the U.S. for this strategy. The dollar-weighted average portfolio effective maturity of the strategy is expected to be more than one year but less than three years during normal market conditions. The strategy may invest in debt obligations of all maturities. We employ interest-rates and the yield curve by: (i) setting duration exposure based on macroeconomic outlook and interest-rate expectations; and (ii) implementing tactical yield-curve positioning (barbell, ladder, and bullet) based on fundamentals of the interest-rate cycle.

## **Risk of Loss**

Investing in securities involves risk of loss that clients should be prepared to bear. Investment decisions made by us in using any investment strategy may not produce the returns expected or may cause a client's portfolio to underperform. Certain types of

investments may pose greater risks and, in some instances, increased volatility and lack of liquidity.

***Stock Market/Company Risk:*** Stock markets are volatile and can decline significantly in response to real or perceived changes to the issuer, industry, market, economic, political, regulatory, geopolitical, pandemics and epidemics and other conditions. Certain segments of the stock market may react differently than other segments and U.S. markets may react differently than foreign markets. The price of an equity security can decrease significantly in response to the above conditions, and these conditions can affect a single issuer or type of security, issuers within a broad market sector, industry or geographic region, or the market in general. In addition, individual stocks may be adversely affected by factors such as reduced sales, increased costs, disruptions to supply chains, or a negative outlook for the future performance of the company. An issuer in which we invest may perform poorly, and therefore, the value of its securities may decline, which would negatively impact your performance.

***Market Capitalization Risk:*** To the extent we invest in securities of small-, mid-, or large-cap companies, it takes on the associated risks. At times, any one of these market capitalizations may be out of favor with investors. Compared to small- and mid-cap companies, large-cap companies may be less responsive to changes and opportunities. Compared to large-cap companies, small- and mid-cap companies may depend on a more limited management group, may have a shorter history of operations, and may have limited product lines, markets or financial resources. The securities of small- and mid-cap companies are often more volatile and relatively less liquid than the securities of larger companies and may be more affected than other types of securities by the underperformance of a sector or during market downturns.

***Foreign Market Risk:*** Exposure to foreign markets through issuers or currencies can involve additional risks relating to market, economic, political, regulatory, geopolitical, pandemics and epidemics, or other conditions. International trade tensions involving certain countries and their trading counterparties may arise from time to time which can result in trade tariffs, embargoes, trade limitations, trade wars and other negative consequences. Such actions and consequences may ultimately result in a significant reduction in international trade, an oversupply of certain manufactured goods, devaluations of existing inventories and potentially the failure of individual companies and/or large segments of certain country's export industry with a potentially severe negative impact to clients. In addition, the securities of foreign companies also may be subject to the imposition of economic sanctions; more or less foreign government regulation; less public information; less stringent investor protections; and less stringent accounting, corporate governance, financial reporting and disclosure standards than domestic companies. These factors can make foreign investments, especially those in emerging markets, more volatile and relatively less liquid than U.S. investments. In addition, foreign markets can react differently to these conditions than the U.S. market. Foreign companies may also be subject to significantly higher levels of taxation than U.S. companies, including potentially confiscatory levels of taxation, thereby reducing their earnings potential, and amounts realized on foreign securities may be subject to high levels of foreign taxation and

withholding. In addition, a client may incur higher costs and expenses for foreign investments, which will affect your total return. Foreign securities may be denominated in foreign currencies. Therefore, the value of your assets and income in U.S. dollars may be affected by changes in exchange rates and regulations since exchange rates for foreign currencies change daily. The combination of currency risk and market risk tends to make securities traded in foreign markets more volatile than securities traded exclusively in the U.S. Clients may be exposed to currency risks over an extended period of time. Although depositary receipts such as American Depositary Receipts (“ADRs”), European Depositary Receipts (“EDRs”), Global Depositary Receipts (“GDRs”) and Non-Voting Depositary Receipts (“NVDRs”) are alternatives to directly purchasing the underlying foreign securities in their national markets and currencies, they are also subject to many of the risks associated with investing directly in foreign securities.

***Developing Market Countries Risk:*** Investments in developing market countries are subject to all of the risks of foreign investing generally, and have additional heightened risks due to a lack of established legal, political, business and social frameworks to support securities markets, including: delays in settling portfolio securities transactions; currency and capital controls; greater sensitivity to interest rate changes; pervasiveness of corruption and crime; currency exchange rate volatility; and inflation, deflation or currency devaluation. In addition, developing market countries may have more or less government regulation and generally do not impose as extensive and frequent accounting, auditing, financial and other reporting requirements as the securities markets of more developed countries. As a result, there could be less information available about issuers in developing market countries, which could negatively affect our ability to evaluate local companies or their potential impact on a client account’s performance.

***Restricted Securities Risk:*** Privately placed and other restricted securities are subject to restrictions on resale as a matter of contract or under federal securities laws; we could therefore find it more difficult to sell such securities when we may want to do so, or we may sell them at prices lower than if such securities were more widely held. Over-the-counter instruments (investments not traded on an exchange) may be illiquid and are subject to the risk that the other party will not meet its obligations.

***Structured Notes Risk:*** Investing in structured notes is subject to certain risks, including credit risk and the normal risks of price changes in response to changes in interest rates. The terms of structured notes may provide that in certain circumstances no principal is due at maturity and, therefore, may result in the loss of the Fund’s entire investment. These securities may be relatively less liquid than other types of securities and may be more volatile than their underlying instruments. The percentage by which the value of a structured note decreases may be far greater than that of its underlying instruments.

***Quantitative Investment Strategy Risk:*** The success of our quantitative strategies depends on the effectiveness of the process in screening securities for inclusion in client accounts. The factors used in the quantitative analysis and the weight placed on these factors may not be predictive of a security’s value. The impact of risk and quantitative metrics on a security’s performance can be difficult to predict, and securities that previously possessed

certain desirable characteristics may not continue to demonstrate those same characteristics in the future. Relying on risk and quantitative models entails the risks that the models themselves may be limited or incorrect, that the data on which the models rely may be incorrect or incomplete, and that we may not be successful in selecting securities for investment or determining the weighting of particular securities in client accounts. Any of these factors could cause such accounts to underperform accounts with similar strategies that do not select stocks through the use of risk-based and/or quantitative models.

***Derivatives Risk:*** The use of derivatives presents risks different from, and possibly greater than, the risks associated with investing directly in traditional securities. The use of derivatives can lead to losses because of adverse movements in the price or value of the underlying security, asset, index or reference rate, which may be magnified by certain features of the derivatives. These risks are heightened when we use derivatives to enhance returns or as a substitute for a position or security, rather than solely to hedge or offset the risk of a position or security held by a client. There is also a risk that the derivative will not correlate well with the instrument for which it is substituting. The use of derivatives to leverage risk also may exaggerate a loss, potentially causing a client to lose more money than if it had invested in the underlying security, or limit a potential gain. The success of our derivative strategies will depend on our ability to assess and predict the impact of market or economic developments on the underlying security, asset, index or reference rate and the derivative itself, without necessarily the benefit of observing the performance of the derivative under all possible market conditions. Other risks arise from a potential inability to terminate or sell a client's derivative positions, as a liquid secondary market for such positions may not exist at times when we may wish to terminate or sell them.

***Short Sales Risk:*** Short sales involve the risk that losses may be exaggerated, potentially losing more money than the actual cost of the investment. There is also the risk that the third party to the short sale may fail to honor its contract terms, causing a loss to clients.

***Swaps Risk:*** Swaps, a form of derivatives, may increase or decrease a client's exposure to long- or short-term interest rates, foreign currency values, mortgage securities, corporate borrowing rates, securities market indexes, or other factors such as security prices or inflation rates. Swaps may be leveraged and are subject to illiquidity risk, counterparty risk, credit risk and valuation risk. Also, a client bears the risk of loss of the amount expected to be received under a swap in the event of the default or bankruptcy of a swap counterparty. In addition, some swaps may be complex and difficult to value.

***Forward Foreign Currency Exchange Risk:*** Forward foreign currency exchange transactions may decline in value as a result of foreign market downswings or foreign currency fluctuations and a client may lose money on forward currency transactions if changes in currency exchange rates do not occur as anticipated or do not correspond accurately to changes in the value of the Fund's holdings. Currency exchange rates may be volatile and may be affected by, among other factors, the general economics of a country, the actions of governments or central banks, the imposition of currency controls and speculation. Use of such instruments, therefore, can have the effect of reducing returns and minimizing opportunities for gain.

***Futures Risk:*** The loss that may be incurred in entering into futures transactions may exceed the amount of the premium paid and may be potentially unlimited. Futures markets are highly volatile and the use of futures may increase the volatility of a client's account. Additionally, as a result of the low collateral deposits normally involved in futures trading, a relatively small movement in the price or value of a futures transaction may result in substantial losses to a client. Furthermore, exchanges may limit fluctuations in futures transaction prices during a trading session by imposing a maximum permissible price movement on each futures transaction. A client may be disadvantaged if it is prohibited from executing a trade outside the daily permissible price movement. Futures transactions executed on foreign exchanges may not be provided the same protections as provided by U.S. exchanges.

***Options Risk:*** Options trading entails additional risks than those resulting from trading in traditional securities. Options may be more volatile than the underlying instruments, and therefore, on a percentage basis, an investment in options may be subject to greater fluctuation than an investment in the underlying instruments themselves. A client that purchases options is subject to the risk of a complete loss of the amounts paid as premiums to the writer of the option. A client that writes options is subject to the risk that its forecast of market value or other relevant factors is incorrect, which could cause the client to be in a worse position than it would have been had it had not written the option.

***Multi-Style Management Risk:*** As we may employ sub-advisers for certain asset classes, portions of a client's portfolio may be managed by different portfolio managers using different styles, as such, this client could experience overlapping investments. Certain portfolio managers may be purchasing securities at the same time other portfolio managers may be selling those same securities. This may lead to higher transaction expenses and may generate higher short-term capital gains.

***Exchange-Traded Funds Risk:*** ETFs are subject to many of the same risks associated with individual stocks, including market risk where the market as a whole, or the specific sector in which an ETF invests, may decline. ETFs that invest in volatile stock sectors, such as foreign issuers, smaller companies, or technology, are subject to the additional risks to which those sectors are subject. ETFs may trade at a discount to the aggregate value of the underlying securities. The underlying securities in an ETF may not follow the price movements of an entire industry or sector in which the ETF invests. A shareholder in mutual funds may incur fees indirectly on the ETF shares that a fund purchases. Trading in an ETF may be halted if the trading in one or more of the ETF's underlying securities is halted. Although expense ratios for ETFs are generally low, frequent trading of ETFs by a Fund can generate brokerage expenses. ETFs that seek to replicate a particular benchmark index are subject to "tracking risk," which is the risk that an ETF will not be able to replicate exactly the performance of the index it tracks.

***U.S. Government Obligations Risk:*** Some U.S. Government securities are backed by the full faith and credit of the U.S. Government and are guaranteed as to both principal and interest by the U.S. Treasury. Other U.S. Government securities are not direct obligations

of the U.S. Treasury, but rather are backed by the ability to borrow directly from the U.S. Treasury. Still others are supported solely by the credit of the agency or instrumentality itself and are neither guaranteed nor insured by the U.S. Government. No assurance can be given that the U.S. Government would provide financial support to such agencies if needed. U.S. Government securities may be subject to varying degrees of credit risk and all U.S. Government securities may be subject to price declines due to changing interest rates. Securities directly supported by the full faith and credit of the U.S. Government have less credit risk.

***Fixed Income Securities Risk:*** Fixed income securities are subject to the risk that interest rates will rise, which generally causes bond prices to fall. Economic and market conditions may cause issuers to default or go bankrupt. Fixed income securities also may be subject to maturity risks. Longer-term debt securities will experience greater price volatility than debt securities with shorter maturities. Because the fixed income securities held in a strategy may be of any maturity, you can expect the value of such to fluctuate. Fixed income securities also have credit risks. The credit quality of a debt security is based upon the issuer's ability to repay the security. If payments on a debt security are not made when due, that may cause the security to go down. Fixed income securities also may be subject to call risk. If interest rates decline, an issuer may repay (or "call") a debt security held by a client prior to its maturity. Fixed income securities also may be subject to call risk. If interest rates decline, an issuer may repay (or "call") a debt security held by a client account prior to its maturity. The value of fixed income securities can be subject to volatility and losses resulting from changes or perceived changes to the issuer, as well as industry, market, economic, political, regulatory, and geopolitical developments, including pandemics, epidemics and other conditions, particularly during times of unusual or adverse market or political events. Certain types of fixed income securities may be more sensitive to such conditions.

***Changing Fixed Income Market Conditions:*** In March 2022, the Federal Reserve (the "Fed") began a series of significant interest rate increases in response to sustained high levels of inflation. In addition, in May 2022, the Fed announced it would begin to reduce the size of its balance sheet, known as quantitative tightening. These announcements followed years of low-interest rate policy in response to the COVID-19 pandemic and the 2008 financial crisis, during which the Fed kept the federal funds rate to a range of 0-2.5%, and promised unlimited and open-ended quantitative easing, including purchases of corporate and municipal government bonds. Although the Fed has indicated it may reduce interest rates in the future, the effect of any such rate cuts is not known. The Fed's policy in response to market conditions, including with respect to certain interest rates, may adversely affect the value, volatility and liquidity of dividend and interest paying securities. Market volatility, dramatic changes to interest rates and/or a return to unfavorable economic conditions may lower a Fund's performance or impair a client's ability to achieve its investment objective.

***High-Yield, Lower-Grade Debt Securities Risk:*** High-yield debt securities (including loans) and unrated securities of similar credit quality ("high-yield debt instruments" or "junk bonds") are subject to the risks associated with fixed income securities and involve



greater risk of a complete loss of a client's investment, or delays of interest and principal payments, than higher-quality debt securities. Issuers of high-yield debt instruments are not as strong financially as those issuing securities of higher credit quality. High-yield debt instruments are generally considered predominantly speculative by the applicable rating agencies as these issuers are more likely to encounter financial difficulties and are more vulnerable to changes in the relevant economy, such as a recession or a sustained period of rising interest rates, that could affect their ability to make interest and principal payments when due. If an issuer stops making interest and/or principal payments, payments on the securities may never resume. These instruments may be worthless and a client could lose its entire investment. The prices of high-yield sovereign debt of emerging market countries fluctuate more than higher-quality securities. High-yield debt instruments are generally less liquid than higher-quality securities. Many of these securities are not registered for sale under the federal securities laws and/or do not trade frequently. When they do trade, their prices may be significantly higher or lower than expected. At times, it may be difficult to sell these securities promptly at an acceptable price, which may limit our ability to sell securities in response to specific economic events or to meet redemption requests. As a result, high-yield debt instruments generally pose greater illiquidity and valuation risks.

***Municipal Securities Risk:*** Prices of municipal securities rise and fall in response to interest rate changes, and local political and economic factors may adversely affect the value and liquidity of these securities. Fixed income securities and municipal securities are subject to the risks associated with a lack of liquidity in the municipal bond and fixed income markets. To the extent that a client's municipal bond portfolio is concentrated in investments within a single state, its performance can be more volatile than that of a portfolio that invests more broadly. Adverse economic, political, and regulatory conditions affecting the state are likely to affect such client's portfolio performance.

***Convertible Securities Risk:*** Convertible securities are subject to interest rate risk, the risk that the issuer will not be able to pay interest or dividend when due, the risk that their market value may change based on changes to the issuer's credit ratings or the market's perception of the issuer's creditworthiness, and the risk that their value may not increase or decrease as rapidly as the underlying common stock. Convertible bonds are subject to the risks of equity securities when the underlying stock price is high relative to the conversion price (because more of the security's value resides in the conversion feature) and debt instruments when the underlying stock price is low relative to the conversion price (because the conversion feature is less valuable). A convertible bond is not as sensitive to interest rate changes as a similar non-convertible debt instrument.

***Preferred Securities Risk:*** Preferred securities generally have a specified dividend rate and rank after bonds and before common stocks in their claim on income for dividend payments and on assets should the company be liquidated. Unlike interest payments on debt securities, preferred securities dividends are payable only if declared by the issuer's board of directors. Preferred securities also may be subject to optional or mandatory redemption provisions.

***Credit Risk:*** A client may lose money if the issuer or guarantor of a fixed income security, or the counterparty to a derivatives contract, repurchase agreement or a loan of portfolio

securities, is unable or unwilling to make timely principal and/or interest payments, or to otherwise honor its obligations. This risk is increased when a portfolio security is downgraded or the perceived creditworthiness of an issuer or counterparty deteriorates.

***Interest Rate Risk:*** Interest rate risk is the risk of losses attributable to changes in interest rates. In general, when interest rates rise, debt security prices tend to fall. The opposite is also generally true, debt security prices tend to rise when interest rates fall. In general, securities with longer maturities are more sensitive to these interest rate changes.

***Currency Management Strategies Risk:*** Currency management strategies may increase a client's exposure to currency exchange rates and could result in losses to clients if currencies do not perform as we expect.

***Real Estate Investment Trusts Risk:*** Real estate investment trusts or REITs carry risks generally incident to the ownership of real property, as well as additional risks such as limited diversification, poor performance by the manager of the REIT and adverse changes to the tax laws.

***Commodities Risk:*** The value of commodities may be affected by, among other things, changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or Commodity, such as drought, floods, weather, livestock disease, embargoes, tariffs and international economic, political and regulatory developments. The operations and financial performance of companies in the agricultural, natural resources and related industries may be directly affected by commodity prices. This risk is exacerbated for those companies that own the underlying commodity.

***Inflation-Protected Securities Risk:*** The value of an inflation-protected debt security generally will fall when real interest rates rise. Generally, the value of an inflation-protected debt security will fall when real interest rates rise and inversely, rise when real interest rates fall.

***Liquidity Risk:*** Liquidity risk refers to the possibility that it may be difficult or impossible to sell certain positions within an acceptable timeframe or at an acceptable price.

***Prepayments and Extensions:*** The principal on mortgage-backed securities, other asset-backed securities, or any debt instrument with an embedded call option may be prepaid at any time, which could reduce the security's yield and market value. The rate of prepayments tends to increase as interest rates fall, which could cause the average maturity of the portfolio to shorten. Extension risk may result from a rise in interest rates, which tends to make mortgage-backed securities, asset-backed securities, and other callable debt instruments more volatile.

***Leverage:*** Investing in certain futures contracts, options and swaps and other derivative instruments, and engaging in short sales, will result in leverage. These instruments provide

the economic effect of financial leverage by creating additional investment exposure to the underlying instrument, as well as the potential for greater loss.

**Hedging:** BIM's attempts at hedging and taking long and short positions in currencies may not be successful and could cause a client to lose money or fail to get the benefit of a gain on a hedged position.

**Mortgage-Backed and Asset-Backed Securities Risk:** Securities representing interests in "pools" of mortgages or other assets are subject to various risks, including prepayment and contraction risk, risk of default of the underlying mortgage or assets and delinquencies and losses of the underlying mortgage or assets.

**Geographic Focus Risk:** To the extent that we focus on investments within a single state, its performance can be more volatile than that of a portfolio that invests more broadly. Adverse economic, political, and regulatory conditions affecting the state are likely to affect a client's performance. Factors affecting a state, such as significant fiscal difficulties, an economic downturn, court rulings, increased expenditures, or reduced monetary support from the federal government, could impair the ability of issuers within that state to repay their obligations.

**Non-Diversification Risk:** A "non-diversified" portfolio may invest a greater percentage of its total assets in the securities of fewer issuers than a "diversified" portfolio. This increases the risk that a change in the value of any one investment held by a portfolio could affect the overall value of the portfolio more than it would affect that of a diversified portfolio holding a greater number of investments. Accordingly, a "non-diversified" portfolio's value will likely be more volatile than the value of more diversified portfolios.

**Debt Securities Ratings Risk:** The use of credit ratings in evaluating debt securities can involve certain risks, including the risk that the credit rating may not reflect the issuer's current financial condition or events since the security was last rated by a rating agency. Credit ratings may be influenced by conflicts of interest or based on historical data that no longer apply or are accurate.

**Unrated Debt Securities Risk:** Unrated debt securities determined by BIM to be of comparable quality to rated securities may pay a higher interest rate than such rated debt securities and be subject to a greater risk of illiquidity or price changes. Less public information is typically available about unrated securities or issuers.

**Regulatory Events:** Legal, tax and regulatory changes could occur that may adversely affect BIM's ability to pursue its investment strategies and/or increase the costs of implementing such strategies.

**Economic Events:** Economies and financial markets throughout the world are increasingly interconnected. The market values of securities or other assets will fluctuate, sometimes sharply and unpredictably, due to changes in general market conditions, overall economic trends or events, governmental actions or intervention, armed conflicts, terrorist activities, political developments, actions taken by the Fed or other central banks, market disruptions

caused by trade disputes or other events or circumstances, natural disasters, rapid inflation, supply chain disruptions, international sanctions, a pandemic or other public health crisis, investor sentiment and other factors that may or may not be related to the issuer of the security or other asset. Such events or circumstances in one country or region could have profound impacts on global economies or markets. As a result, whether or not BIM invests in securities of issuers located in or with significant exposure to the countries directly affected by such events or circumstances, the value and liquidity of investments may be negatively affected. Market volatility, dramatic interest rate moves and/or unfavorable economic conditions may lower performance or impair BIM's ability to achieve its investment objective.

Any of the foregoing events could materially and adversely affect the BIM's ability to source, manage and divest investments and pursue its investment objective and strategies.

***Cyber Security Risk:*** BIM is susceptible to cyber security risks. These risks include, among other things, theft, misuse and loss of confidential and proprietary information, data corruption, and operational disruption. Cyberattacks may include the use of stolen access credentials, malware or other computer viruses, ransomware, phishing, structured query language injection attacks, and distributed denial of service attacks. Cyberattacks against or security breakdowns of BIM may adversely impact clients, potentially resulting in, among other things, financial losses, the inability to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, and/or additional compliance and remediation costs. Cyber security risks may also impact issuers of securities in which BIM invests, which may cause investment in such issuers to lose value. There can be no assurance that BIM, the Funds, the Funds' other service providers, or the issuers of the securities in which the Funds invest will not suffer losses relating to cyberattacks or other information security breaches in the future.

## ITEM 9. DISCIPLINARY INFORMATION

None.

## ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

We act as investment adviser to Old Westbury Funds, Inc., an open-end registered investment company affiliated with us. Mr. David Rossmiller serves as President of the Old Westbury Funds, Inc. and as a director of Old Westbury (Cayman) Funds SPC, a Cayman Island mutual fund that is registered as a segregated portfolio company. We are owned by BTNA, a national bank, and are an investment adviser to BTNA. Certain personnel are also officers of both our firm and BTNA and provide investment advisory services to certain commingled vehicles, including Old Westbury (Cayman) Funds SPC and other accounts advised by BTNA. Also see the description under Advisory Business Item 4 above.

Like other investment professionals with multiple clients, a portfolio manager for a client may face certain potential conflicts of interest in connection with managing both the client's assets and other accounts at the same time. The paragraphs below describe some of these potential conflicts, which we believe are faced by investment professionals at most major financial firms but which we believe are adequately addressed by our current policies and procedures. We have adopted policies and procedures that are designed to address certain of these potential conflicts.

A potential conflict of interest may arise when a client and other accounts managed by us or our affiliates purchase or sell the same securities. On occasions when a portfolio manager considers the purchase or sale of a security to be in the best interests of a client as well as other accounts managed by us or our affiliates, the orders for such transactions may be combined in order to obtain the best execution and lower brokerage commissions, if any. Aggregation of trades may create the potential for unfairness to a client or another account if one account is favored over another in allocating the securities purchased or sold – for example, by allocating a disproportionate amount of a security that is likely to increase in value to a favored account. We believe that our policies and procedures relating to trade aggregation and allocation are reasonably designed to prevent such results.

“Cross trades,” in which one account managed by us or our affiliates sells a particular security to another account managed by us or our affiliates (potentially saving transaction costs for both accounts), may also pose a potential conflict of interest. Cross trades may be seen to involve a potential conflict of interest if, for example, one account is permitted to sell a security to another account at a higher price than an independent third party would pay. We and our affiliates have adopted procedures that provide that any transactions between a client and another account advised by us or our affiliates are to be made at an independent current market price.

Another potential conflict of interest may arise based on the different investment objectives and strategies of a client and other accounts. For example, another account may have a shorter-term investment horizon or different investment objective, policies or restrictions than a client. Depending on another account's objectives or other factors, a portfolio manager may give advice and make decisions that may differ from advice given, or the timing or nature of decisions made, with respect to a client. In addition, investment decisions are the product of many factors in addition to basic suitability for the particular account involved. Thus, a particular security may be bought or sold for certain accounts even though it could have been bought or sold for other accounts at the same time. Moreover, a particular security may be bought for one or more accounts managed by a portfolio manager when one or more other accounts are selling the security (including short sales). There may be circumstances when purchases or sales of portfolio securities for one or more accounts may have an adverse effect on other accounts.

Portfolio managers who are responsible for managing multiple accounts may devote unequal time and attention to the management of those accounts. As a result, the portfolio manager may not be able to formulate as complete a strategy or identify equally attractive investment opportunities for each of those accounts as might be the case if he or she were to devote substantially more attention to the management of a single account. The effects of this potential conflict may be more pronounced where accounts overseen by a particular portfolio manager have different investment strategies.

Our portfolio managers may be able to select or influence the selection of the brokers and dealers that are used to execute securities transactions for clients. In addition to executing trades, some brokers and dealers provide us and our affiliates with brokerage and research products and services that may result in the payment of higher brokerage fees than might have otherwise been available. These products and services are used by us and our affiliates and may be more beneficial to certain clients or accounts managed by us and our affiliates than to others. Although the payment of brokerage commissions is subject to the requirement that we and our affiliate determine in good faith that the commissions are reasonable in relation to the value of the brokerage and research products and services provided, the decision as to the selection of brokers and dealers could yield disproportionate costs and benefits among a client and/or accounts that we and our affiliates manage.

Portfolio managers may also face other potential conflicts of interest in managing a client's assets, and the description above is not a complete description of every conflict that could be deemed to exist in managing both the client's assets and other accounts. In addition, portfolio managers may also manage other accounts (including their personal assets or the assets of family members) in their personal capacity. The management of these accounts may also involve certain of the potential conflicts described above. Our investment personnel, including portfolio managers, are subject to restrictions on engaging in personal securities transactions pursuant to a Code of Ethics adopted by us and our affiliates.

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

BIM has adopted a Code of Ethics that requires its personnel to (a) conduct personal securities transactions in accordance with the Code of Ethics and BIM's Personal Trading Policy and Procedures, and in such a manner as to avoid any actual or potential conflicts of interest; (b) comply with applicable laws and regulations; and (c) annually provide an acknowledgement of compliance with the Code of Ethics. The Code of Ethics contains provisions reasonably designed to identify and address potential conflicts of interest between personal investment activities and interests of clients. Employees are generally required to pre-clear securities transactions (which may include securities purchased by clients) with the Compliance department and to report all transactions on a regular basis. There can be no assurance that the Code of Ethics will be effective in identifying and addressing all conflicts of interest relating to personal securities transactions. The Chief Compliance Officer or his/her designee has the responsibility for interpreting the provisions of the Code of Ethics, for adopting and implementing procedures for the enforcement of the provisions of the Code of Ethics, and for determining whether a violation has occurred. In the event of a finding that a violation has occurred, the Chief Compliance Officer or his/her designee shall take appropriate action.

A copy of our Code of Ethics is available to any client or prospective client upon request. Our related persons may buy or sell for themselves or accounts they advise investment products recommended to clients. We and our affiliates may give advice and make decisions that may differ from advice given, or from the timing or nature of decisions made, with respect to a particular client. Portfolio managers responsible for managing clients'

assets will also provide investment advisory services to clients of our affiliates. Also see the description under Other Financial Industry Affiliations Item 10 above.

## ITEM 12. BROKERAGE PRACTICES

For discretionary accounts, we have authority to determine the type and amount of securities to be bought and sold, the broker/dealer to be used and the commission rates to be paid. In executing portfolio transactions and selecting brokers or dealers, we will seek to obtain the best net price and the most favorable execution. We will consider factors we deem relevant, including the breadth of the market in the security, the price of the security, the financial condition and execution capability of the broker or dealer and the reasonableness of the commission, if any, for the specific transaction and on a continuing basis. Purchase and sale orders for clients may be combined and executed together with orders for clients of our affiliates. An order that is partially filled, will, as a general matter, be allocated pro rata in proportion to each client's original order or account size. There is no certainty that the allocation process will in fact result in fair allocations, or that they will be allocated to all clients or allocated equally among clients participating in the aggregated transactions or according to any established standard.

Among the types of research products and services that we and our affiliate receive in consideration of brokerage commissions generated by accounts managed by us and our affiliates or other types of selling compensation are reports, statistics or consultations with analysts regarding specific companies, industries or sectors, general summaries of groups of securities and their comparative earnings, index and credit data, pricing information, or broad overviews of the markets and the economy. Other topics covered by such research products and services might include global, regional, and country-by-country prospects for economic growth anticipated levels of inflation, prevailing and expected interest rates, and the outlook for currencies and commodities. In addition, research services may be provided in the form of meetings arranged with corporate and industry spokespersons, economists, academicians, and government representatives. Brokerage products and services received in consideration of clients' portfolio commissions or other selling compensation may include order routing systems, electronic clearance and settlement services and other services that assist us with the execution of securities transactions. These services, and products, including ancillary services, may be used by us and our affiliates for one or more accounts managed by us and our affiliates, and they may or may not be used, or used exclusively, with respect to the account generating the brokerage commission.

When we use client brokerage commissions to obtain research or other products or services, we receive a benefit because we do not have to produce or pay for the research, products, or services. We have an incentive to select or recommend a broker-dealer based on our interest in receiving the research or other products or services, rather than on our clients' interest in receiving most favorable execution.

On an ongoing basis, we monitor and evaluate the performance and execution capabilities of the firms that provide research and brokerage products and services and also monitor the levels of commission costs in comparison to those commissions paid by other

institutional investment managers. Also see the description under Other Financial Industry Affiliations Item 10 above.

#### ITEM 13. REVIEW OF ACCOUNTS

Our portfolio managers monitor discretionary accounts on a regular basis and review model portfolios with our Investment Committee. The Investment Committee determines the composition of the model portfolios and reviews the portfolio managers' adherence to their investment mandates. We provide our model portfolios recommendations to our affiliate BTNA on an ongoing basis and provide advice and recommendations to BTNA on a regular basis, but not less than monthly. We provide a written report to the board of directors of the Old Westbury Funds, Inc. (the "Board") at each regular meeting of the Board of material changes in each of the Funds since the prior report. We also furnish the Board with such statistical and analytical information with respect to securities held by the Funds, as may be requested by the Board from time to time.

#### ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION

BIM does not receive any economic benefit from anyone that is not a client for providing investment advice to clients. Neither BIM nor a related person directly or indirectly compensates any person for client referrals.

#### ITEM 15. CUSTODY

Not applicable.

#### ITEM 16. INVESTMENT DISCRETION

We manage the assets of each series of Old Westbury Funds, Inc. pursuant to an investment management agreement that, among other things, grants us the authority to manage the Funds' assets on a discretionary basis. All clients must enter into an investment management agreement which sets forth our authority. The investment management agreement will also reference investment limitations or restrictions, if any, for a particular client. The Prospectus and Statement of Additional Information of the Old Westbury Funds, Inc. contain more information on the investment limitations of the Funds.

#### ITEM 17. VOTING CLIENT SECURITIES

Unless a client directs otherwise, we will vote proxies on their behalf. Where we are responsible for voting proxies for a client, we have adopted written policies and procedures reasonably designed to ensure that we vote proxies in an effort to maximize the value of our clients' investments over the long term. While our voting will generally follow our proxy voting guidelines, specific voting decisions may differ in any instance where we believe it to be in the best interest of shareholders. Our Proxy Committee ("Proxy Committee"), comprised of representatives from Custody and the Investment area (and



other areas as appropriate), oversees the proxy voting process. The Proxy Committee may seek the input of our portfolio managers and research analysts as needed for further context in particular voting matters (e.g., contested board elections and merger and acquisitions activity) prior to making a voting decision. We have contracted with Institutional Shareholder Services, Inc. (“ISS”), a third-party proxy voting and corporate governance service, to provide research on proxy issues and to vote proxies in accordance with our guidelines. As part of the proxy voting process, our portfolio managers and research analysts will be consulted on a limited number of issues (generally on matters that are designated as case-by-case votes). BIM may choose to override the ISS recommendation if deemed in the shareholders’ best interest. We may review proxy votes with ISS when the Proxy Committee determines this to be desirable. We may refrain from voting in certain cases where we deem appropriate, if, for example, the cost of voting appears to exceed the expected benefits, or when voting could result in the imposition of trading or other restrictions that may restrict liquidity or otherwise impair investment returns (e.g., share blocking). The foregoing conditions are most likely to exist with respect to non-U.S. securities.

In situations where the Proxy Committee determines that there is a material conflict of interest (i.e., a conflict that is likely to influence, or appear to influence, our decision making on the issue based on assessment of the particular facts and circumstances), the Proxy Committee will determine an appropriate method to resolve such conflict of interest before the affected proxy is voted. Such methods may include (1) instructing ISS to vote the affected proxy in accordance with its own recommendations, (2) referring the proxy to the governing board of the relevant investment company or the client institution, (3) disclosing the conflict of interest and sending the proxy to individual shareholders for them to vote individually, or (4) such other method as is deemed appropriate given the particular facts and circumstances.

Information about how we voted proxies for securities held in client accounts is available to clients upon request. The proxy voting record for the Old Westbury Funds, Inc., during a 12-month period ended June 30, is available on the Securities and Exchange Commission’s website at <http://www.sec.gov>. A copy of our proxy voting policies and procedures is included in the Statement of Additional Information of the Old Westbury Funds, Inc. and is available to clients upon request.

## ITEM 18. FINANCIAL INFORMATION

We are not aware of any financial condition that is reasonably likely to impair our ability to meet our contractual commitments to clients, nor have we been the subject of a bankruptcy petition at any time during the past ten years.