



Form ADV Part 2A

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March 28, 2024

This brochure provides information about the qualifications and business practices of Los Angeles Capital Management LLC. ("Los Angeles Capital" or the "Firm"). If you have any questions about the contents of this brochure, please contact Jennifer Reynolds, Chief Compliance Officer by electronic mail at compliance@lacapm.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

Los Angeles Capital refers to itself as a "registered investment adviser". Registration as an investment adviser does not imply any level of skill or training. Additional information about Los Angeles Capital is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

This brochure dated March 28, 2024, is prepared in accordance with the SEC's rules and requirements and includes updates made since the date of the last brochure filing on March 31, 2023.

The Firm has made the following material changes to the brochure since the last update on March 31, 2023:

- Item 4 was amended to remove Hal W. Reynolds as a principal owner of LACM Holdings Inc.
- Item 8 was updated to enhance disclosures about the risks of a quantitative investment process, trade errors, investment process errors, data errors, counterparty risks, foreign (non-U.S.) securities risk, sanctions risks, short sale risks, and the use of simulations. In addition, disclosures regarding financial institution risks, geopolitical risks, and settlement risks were added.
- Item 12 was updated to include information about FX dealer limitations and to disclose that the Firm does not participate directly in secondary offerings.
- Item 17 was revised to disclose: (i) the special proxy voting considerations for clients who have securities lending programs in place; (ii) the Firm's proxy voting guidelines for ERISA accounts; (iii) the process for voting proxies when the Outside Proxy Provider identifies a conflict; (iv) that the Firm will not disclose how it intends to vote on behalf of a client account except to the client or as required by law; and (v) that past votes or share amounts voted will not be shared except with the respective client or all investors in a commingled vehicle, as required by law, or for a valid business purpose as determined in the discretion of the Chief Compliance Officer or Chief Legal Officer.

We may, at any time, update this brochure and send clients a copy by electronic mail or in hard copy form. Clients should carefully review this brochure and address any questions to the Los Angeles Capital address identified on the cover page of this brochure.

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This brochure provides clients and prospective clients with information about Los Angeles Capital that should be considered before or at the time of obtaining advisory services from us. Please retain a copy of this brochure (and any updates) for your future reference.

Item 4 – Advisory Business

About the Firm

Los Angeles Capital Management LLC (“Los Angeles Capital” or the “Firm”) is a discretionary institutional global asset manager registered with the SEC under the Investment Advisers Act of 1940, as amended (“Advisers Act”). The Firm was founded in 2002. The Firm offers risk-controlled active equity management services to a broad range of institutional clients. The Firm has a wholly owned subsidiary, LACM Global, Ltd. (“UK Subsidiary”), in the United Kingdom that is registered with the Financial Conduct Authority.

Leadership and Ownership Structure

The Firm’s Board consists of Thomas D. Stevens, Chairman, Daniel E. Allen, Chief Executive Officer and President, Hal W. Reynolds, Co-Chief Investment Officer, Stuart K. Matsuda, Chief Trading Officer, and Jennifer E. Reynolds, Chief Compliance Officer.

The Firm’s majority owner is LACM Holdings Inc. (“LACM Holdings”), which owns over 99% of the Firm. As of January 1, 2024, Thomas D. Stevens is the principal owner of LACM Holdings. The other owners of LACM Holdings are employees of the Firm.

Services Offered

Los Angeles Capital constructs a wide range of equity strategies to meet specific client requirements across the developed and emerging markets. The Firm uses a quantitative forward-looking approach that is driven by its proprietary investment model technology (the “Model”). Statistical techniques are used by the Firm to evaluate a variety of metrics that have explanatory power for measuring stock price behavior. The Firm seeks to isolate and interpret how each of these factors is behaving in the current market environment. This approach results in a proprietary forecast of expected returns across a broad universe of more than 9,000 publicly traded equity securities.

Based on these forecasts, client accounts are tailored to each institutional client's unique objectives and investment guidelines. Through a structured investment process, the Firm seeks to add value relative to the specific benchmark or other metric identified for each client account or on an absolute basis. Accounts are managed independently of one another in accordance with client specific mandates, restrictions, and instructions as outlined in their respective investment management agreements or other governing documents.

The Firm's quantitative investment model technology allows the Firm to offer customized solutions to its institutional clients. As an example, the Firm can incorporate specific environmental, social, and corporate governance ("ESG") information on a customized basis upon client request. In addition, the Firm can emphasize certain factors/themes such as momentum or growth to comply with a client request to maintain a permanent investment bias. Finally, the Firm can customize accounts to align the type and level of risk based on a client's objectives and preferences.

Assets under Management

As of December 31, 2023, Los Angeles Capital had approximately \$34,855,300,000 of client assets under management, and all assets were managed on a discretionary basis.

Item 5 – Fees and Compensation

Investment management fees vary by investment strategy, return or risk objective, account assets under management, size of client relationship, long/short ratio, account structure and other competitive factors. Investment fees charged by the Firm are generally computed as a percentage of the market value of the assets under management in the account. In some cases, clients pay a lower base fee plus a performance-based fee. The specific manner in which fees are charged by Los Angeles Capital is established in a client's written investment management agreement, Limited Partnership Agreement, or other legal documentation governing the account. Clients may be billed directly for fees, or they may authorize their custodian to debit fees from their account following receipt of an invoice. Investment management fees are not charged on proprietary accounts.

Los Angeles Capital will generally bill its fees quarterly in arrears, based on the client's custodian or fund administrator's value of assets under management during the applicable quarter. Such fees can be calculated either (i) at the end of the applicable quarter, (ii) based on the monthly average value of assets under management during the applicable quarter, or (iii) based on a methodology agreed upon with the client. Some clients elect to have fees calculated and billed monthly. Los Angeles Capital typically has the authority to directly debit fees from the accounts of the privately offered pooled investment vehicles it sponsors and for which it provides discretionary investment advisory services (each a "Private Fund"). These directly debited fees are typically calculated by the Private Fund's third-party administrator.

If required in the written investment management agreement or other governing documentation, fees are prorated for each capital contribution and withdrawal made during the applicable calendar month or quarter, as applicable. The Firm's investment management agreements generally allow either party to terminate the applicable mandate upon prior written notice to the other. The required notice period for termination varies across agreements. If a client mandate begins or terminates on a date other than the end of a period used to value the account for purposes of calculating advisory or performance fees, such amounts will be prorated in accordance with the terms of the client's written investment management agreement. Upon termination of any account, any earned, unpaid fees typically will be due and payable. There is no annual minimum base fee for investment advisory services. In measuring clients' assets for the calculation of performance-based fees, Los Angeles Capital typically includes realized and unrealized capital gains and losses.

Los Angeles Capital has a standard fee schedule for each strategy that is marketed by the Firm. The standard fee arrangement can be negotiated with a particular client depending on a variety of factors, including whether the client is a seed investor in a new strategy, the size of the account, scope of the overall client relationship, the particular strategy selected by the client, and other requirements for managing the account. As a result, Los Angeles Capital may offer certain clients lower or higher fees than other clients in the same strategy.

Separate Accounts

Los Angeles Capital's standard annual advisory fee schedules for separate accounts are as follows:

U.S. Large Cap Strategies

0.40% on the first \$25 million
0.30% on the next \$175 million
0.20% thereafter

U.S. Small Cap Strategies

0.65% on the first \$50 million
0.55% on the next \$150 million
0.50% thereafter

U.S. Micro-Cap Strategies

0.85% on the first \$50 million
0.75% on the next \$150 million
0.70% thereafter

U.S. All Cap Strategies

0.55% on the first \$25 million
0.45% on the next \$175 million
0.35% thereafter

U.S. Mid Cap Strategies

0.65% on the first \$25 million
0.50% thereafter

Global Strategies*

0.60% on the first \$25 million
0.45% on the next \$175 million
0.35% thereafter

ACWI ex-U.S. Strategies

0.45% on the first \$50 million
0.35% on the next \$150 million
0.30% thereafter

ACWI Small Cap Strategies

0.80% on the first \$50 million
0.70% on the next \$150 million
0.65% thereafter

World Strategies**

0.40% on the first \$50 million
0.30% on the next \$150 million
0.25% thereafter

World Small Cap Strategies**

0.75% on the first \$50 million
0.65% on the next \$150 million
0.55% thereafter

UK or Europe Large Cap Strategies

0.35% on the first \$50 million
0.30% on the next \$150 million
0.20% thereafter

Emerging Markets Strategies

0.90% on the first \$25 million
0.80% on the next \$75 million
0.70% on the next \$100 million
0.65% thereafter

Market Neutral Strategies

1.00% on all assets; PLUS
20% performance fee on excess return over the benchmark

Outcome Oriented Solution Strategies

0.20% on all assets

****ACWI benchmarks***

Global Enhanced*

0.35% on the first \$50 million
0.30% on the next \$150 million
0.25% thereafter

ACWI ex U.S. Small Cap Strategies

0.85% on the first \$50 million
0.75% on the next \$150 million
0.70% thereafter

World Enhanced Strategies**

0.30% on the first \$50 million
0.25% on the next \$150 million
0.20% thereafter

World ex U.S. Small Cap Strategies**

0.85% on the first \$25 million
0.75% thereafter

Emerging Markets Small Cap Strategies

0.90% on the first \$50 million
0.80% on the next \$150 million
0.75% thereafter

Active Extension Strategies

0.20% on all assets; PLUS
20% performance fee on excess return over the benchmark

*****Includes Multi-Region and EAFE benchmarks***

Private Funds

For eligible institutional clients wanting to invest in a commingled vehicle in lieu of a separate account, the Firm makes a few of its strategies available in an open-ended private fund format. The Private Fund management fees differ from the separate account fee schedule for the respective strategy. The Firm has the discretion to reduce or waive fees of investors in a Private Fund, including for principals and employees of the Firm or its affiliates. The management fees typically are calculated and accrued monthly in arrears and paid at the end of each quarter. The Firm has entered into side letters with certain investors in Private Funds that give certain investors most favored nations terms with respect to fees, reporting, or similar items. These side letters can also modify certain terms of the Private Fund offering documents or Limited Partnership Agreement. An example would be the obligation to provide additional reporting or to provide compliance with an applicable local law for the investor. The Firm reserves the right not to agree to the same side letter terms with all investors, unless required by law, rule, or regulation. As such, certain terms available to one investor in a Private Fund are not available to all investors in the same Private Fund, unless required by law, rule, or regulation.

Collective Investment Vehicles

Third-Party Funds - The Firm receives sub-advisory fees for its services to third-party registered investment companies and other funds formed outside of the U.S. These fees are paid monthly or quarterly in arrears based on the average daily net assets or the average of the month-end net assets for the portion of the fund managed by the Firm or based on a methodology agreed upon with the client. The fund adviser's annual rates are disclosed in the respective prospectus, statement of additional information, or other disclosure documentation of the fund. In some cases, the Firm receives performance fees from funds.

Collective Investment Trusts (CITs) - The Firm receives investment advisory or sub-advisory fees for its services to third party collective investment trusts. These fees are calculated and accrued daily and are payable monthly or quarterly in arrears at annual rates as described in the collective investment trust's Disclosure Memorandum or advisory or sub-advisory agreement.

With respect to the collective investment trusts advised by the Firm ("LACM CITs"), management fees paid to the Firm and expenses can be waived by the Firm in its sole discretion, both voluntarily and on a negotiated basis. Furthermore, Los Angeles Capital could have an incentive to reduce expenses by limiting the number of countries invested in and/or otherwise limiting transactions due to associated expenses and expense subsidies. Subject to a list of exceptions approved by the Firm's Investment Committee, investment decisions made outside of the Model

require prior authorization and are monitored by Compliance. The Firm also has procedures in place to monitor account performance.

UCITS - The Firm receives investment advisory fees for its advisory services to the Los Angeles Capital Global Funds plc, an investment company with variable capital incorporated with limited liability in Ireland that is authorized and regulated by the Central Bank of Ireland pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, as amended (the “LACM UCITS”). Fees are calculated and accrued daily and payable quarterly in arrears at annual rates as described in the prospectus. The Firm receives a performance fee from investors investing in certain share classes of the LACM UCITS. The Firm is permitted, in its discretion, to rebate management fees charged to the LACM UCITS to any LACM UCITS investor and agree to an annual expense cap on certain share classes.

Due to expense limitations and expense subsidies, Los Angeles Capital could have an incentive to reduce expenses by limiting the number of countries a sub-fund of the LACM UCITS invests in and/or otherwise limiting transactions. Subject to a list of exceptions approved by the Firm’s Investment Committee, investment decisions for the LACM UCITS made outside of the Model require prior authorization and are monitored by Compliance. The Firm also has procedures in place to monitor LACM UCITS’ performance.

The Firm receives sub-advisory fees for its services to a number of third party UCITS. These fees are paid monthly or quarterly in arrears based on the average daily net assets or the average of the month-end net assets for the portion of the fund managed by the Firm. The third-party fund adviser’s annual rates are disclosed in the respective UCITS fund prospectus. The Firm’s sub-advisory fees charged to UCITS fund investors are set by the respective UCITS fund board of directors.

Brokerage, Custodial, and Other Expenses

For the advisory or sub-advisory services, as applicable, that the Firm provides to separate accounts, Private Funds, third-party funds, UCITS, and collective-investment trusts, the Firm receives management fees (flat fee, asset-based, performance based, a combination of these types of fees, or no fees). In addition to the Firm’s management fees, clients will incur fees and expenses from third parties unaffiliated with the Firm relating to their accounts. These fees and expenses from third parties unaffiliated with the Firm could include, but are not limited to, brokerage commissions, custodial fees, proxy voting service fees, fees charged for deferred sales charges, odd-lot differentials, transfer taxes, stamp taxes, wire transfer and electronic fund fees,

other fees and taxes on brokerage accounts and securities transactions, and other transaction costs and expenses.

Clients in commingled vehicles such as the Private Funds and the LACM UCITS will also incur certain charges imposed by the third-party fund administrators, custodians, and transfer agents, and any extraordinary expenses (including indemnification) as the General Partner or Managing Member (either referred to as “General Partner”) determines in its discretion. Costs incurred in connection with an investment in which more than one Private Fund or account managed by the Firm participates in shall be borne pro-rata based on the amount invested by such entities or accounts. The governing documents for each commingled fund describe the standard fees and expenses allocable to the specific fund and its investors in detail. In the case of Private Funds where the Firm serves as the General Partner, the General Partner is responsible for and pays expenses related to office space and personnel. Each Private Fund bears all of its own expenses, which generally include, without limitation, investment-related expenses, (e.g., prime brokerage fees, brokerage commissions, research expenses, third-party custodial fees, bank service fees, withholding and transfer fees, clearing and settlement charges, and consultant expenses), filing and reporting fees, registration expenses, legal expenses, accounting expenses, auditing, bookkeeping, financial reporting and tax preparation expenses and other professional expenses, administration expenses, fees for data and software providers, the investment management fee and performance fee, as applicable, other expenses related to the purchase, sale, and transmittal of investments, organizational expenses, and any expenses relating to the initial and continuing offer and sale of interests (including printing, solicitation, and related expenses) and other expenses related to the Private Fund. If a strategy for the account involves derivatives, the account will be required to make payments in connection with the derivatives to counterparties. Los Angeles Capital does not receive any portion of these commissions, fees, and costs. However, each Private Fund does reimburse the General Partner for any Private Fund expenses advanced by the General Partner, including without limitation, expenses in connection with the organization of the Private Fund.

The LACM CITs are subject to certain operational fees which include custody fees, transfer agent fees, audit fees, reporting fees, pricing fees, and other miscellaneous operational expenses as described in the LACM CITs’ respective governing documents prepared by the third-party Trustee.

See Item 12 below for a discussion of the Firm’s brokerage practices.

Important Notice in Connection with Private Funds

This brochure may be provided to a prospective investor in a Private Fund together with the Private Fund's offering or private placement memorandum ("PPM"), organizational documents, and other related documents ("Governing Documents"), in connection with an investor's consideration of an investment in the Private Fund. While this brochure includes information about the Private Fund, it does not represent to be a complete discussion of the features, risks, or conflicts associated with the Private Fund. More complete information about the Firm's Private Funds is included in the Private Funds' respective PPM and other Governing Documents.

In no event should this brochure be considered an offer of interest in a Private Fund or relied upon in determining whether to invest in a Private Fund. It is also not an offer of, or agreement to provide, advisory services directly to any recipient. Rather, this brochure is designed only to provide information about Los Angeles Capital to comply with regulatory requirements under the Advisers Act, which may cause information in this brochure to differ from the information provided in a PPM. If there is any conflict between the information in this brochure and similar information in a Private Fund's PPM, Private Fund investors should rely on the information in the PPM and the Governing Documents.

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

Los Angeles Capital structures any performance fee arrangement subject to Section 205(a) (1) of the Advisers Act in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3 of the Advisers Act.

Los Angeles Capital manages accounts for which the Firm charges a performance-based fee, an asset-based management fee, a flat fee, a combination of these types of fees, or no fees. Los Angeles Capital's portfolio managers manage accounts in the same strategy that are charged fees under different fee rates and structures.

The management of accounts with performance-based fees has the potential to cause a conflict of interest by creating an incentive to favor accounts with performance-based fees over those without a performance fee in order to generate greater revenue for the Firm. A similar conflict exists from managing client accounts paying a higher asset-based fee than other accounts or accounts containing assets owned by the Firm, its employees, or its owners. Performance-based fee arrangements and higher fee-paying accounts create an incentive for Los Angeles Capital to

recommend investments which may be riskier or more speculative than those which would be recommended under a flat fee, asset-based fee, or lower or no fee arrangement, as applicable.

Los Angeles Capital manages separate account mandates side-by-side with commingled funds or proprietary accounts in which the Firm or its employees have an economic interest. This raises potential conflicts of interest with respect to allocation of investment opportunities because the Firm has an incentive to favor certain accounts over other accounts that may be less lucrative to the Firm or its affiliates, or to favor accounts in which it or its affiliates or employees are invested. Furthermore, Los Angeles Capital provides investment advisory services for many clients and most advisory agreements involve customized mandates, restrictions, and guidelines. This side-by-side management can result in investment positions or actions taken for one client account that differ from those taken in another client account or in situations where trades in one account closely precede transactions in the same securities in a different account. For example, one client account can engage in short sales of or take a short position in an investment that at the same time is owned or being purchased long by another client account. Conversely, Los Angeles Capital could hold a long position in an account while at the same time taking a short position on the same issuer in another account. These situations occur due to differences in the risk and guideline constraints and exposures governing a client's account in comparison to the other accounts managed by the Firm. In addition, as a result of the liquidity characteristics of the securities within certain strategies, larger accounts could require extended trading horizons and experience lower completion rates on orders, higher transaction costs, and reduced performance when compared to smaller accounts in the same strategy. Additionally, certain accounts, including Firm proprietary accounts, could trade more frequently than other accounts, creating more competition between and among client accounts, which can result in increased transaction costs, and decreased liquidity in an investment. These positions and actions can adversely affect or benefit different clients at different times.

A potential conflict of interest can also arise when the Firm's proprietary accounts utilize trading or portfolio management strategies that have not been made available to other accounts and generally (i) are afforded more, and more timely, access to research; (ii) achieve or are expected to achieve higher returns on capital; (iii) exhibit or are expected to exhibit higher Sharpe ratios; (iv) have higher trading costs; and (v) have higher turnover. This can have an adverse impact on other accounts managed by the Firm.

A potential conflict of interest can also arise as a result of a portfolio manager's day-to-day management of any account, including proprietary accounts. Portfolio managers know the size and timing of account trades, and as a result, it is possible that a portfolio manager could use this

information to the advantage of certain accounts they manage and to the possible detriment of other accounts.

Changes to the investment strategies employed by the Firm may be implemented incrementally, rather than simultaneously, across accounts pursuing similar or identical investment objectives. Furthermore, the Firm can make changes or improvements to trading strategies that are deployed exclusively for proprietary accounts, which has the potential to result in a proprietary account having better performance.

To address the conflicts of interest described above, Los Angeles Capital will take reasonable steps to ensure fair treatment for clients in accordance with the requirements of applicable law. Los Angeles Capital has adopted policies and procedures that are reasonably designed to monitor and prevent the Firm from inappropriately favoring one account over another. Policies, procedures, and processes employed by the Firm to mitigate conflicts among accounts include the following:

- The Firm employs a quantitative investment process which utilizes the Firm's proprietary investment model technology to identify securities and construct accounts. Subject to a list of exceptions approved by the Firm's Investment Committee, investment decisions made outside of the Model require prior authorization and are monitored by Compliance.
- Client accounts are managed independent of one another in accordance with client specific mandates, restrictions, and instructions as outlined in a client's investment management agreement and such restrictions and instructions are monitored for compliance with the client's investment guidelines.
- Proprietary accounts using trading or portfolio management strategies that are in an incubation phase and have not been made available to clients utilize segregated personnel and employ system access controls.
- Trade allocation is determined prior to placing the trade with the broker.
- The Firm's compensation structure is comparable across all departments. The Firm rewards employees for their contributions to the Firm including their contributions to improving the investment process. Management and performance fees inure to the benefit of the Firm as a whole and not to specific individuals or groups of individuals.
- The Firm's strategies predominantly invest in liquid common stocks.

See Items 11 and 12 below for more information about potential conflicts of interests and see Item 12 below for detail on the Firm's trade allocation policies and procedures.

Item 7 – Types of Clients

Los Angeles Capital provides account management services to various types of institutional clients as outlined below. The Firm typically seeks a minimum separate account size of \$50 million but has accepted a lower account size. The Firm's Private Funds and LACM UCITS have minimum initial investments identified on their respective offering documents. These minimums are typically set at either \$5 or \$10 million. Los Angeles Capital, in its sole discretion, when deemed appropriate, is permitted to accept investments of less than the minimum stated in the Private Fund offering documents. The minimum initial investment in the LACM UCITS may be waived by a member of the LACM UCITS Board.

The Firm provides investment advisory services to the following types of clients:

- **Institutional Clients** - The Firm provides discretionary investment advice to public pension funds, corporations and their pension and profit-sharing plans, foreign pension plans, endowments, foundations, unions and Taft-Hartley plans, insurance companies, charitable and religious organizations, pooled investment vehicles, sovereign wealth funds, trusts, and other U.S. and international institutions.
- **Privately Offered Pooled Investment Vehicles** - The Firm also sponsors and provides discretionary investment advisory services to commingled funds offered on a private placement basis to eligible institutional investors. Each Private Fund is managed according to governing documents that may include a partnership or LLC operating agreement, articles of association, and offering memorandum. Third party service providers provide administrative back-office, accounting, and record keeping services, including trade settlement processing, and custodial services. Periodic reports for the Private Funds are prepared for investors generally based on the records of the service providers. The Firm has formed and manages the following Private Funds:
 - LACM ACWI Ex U.S. Equity Fund L.P., a Delaware limited partnership with limited liability
 - LACM Emerging Markets Fund L.P., a Delaware limited partnership with limited liability

- LACM EMII, L.P., a Delaware limited partnership with limited liability
- LACM Global Equity Fund L.P., a Delaware limited partnership with limited liability
- LACM Large Cap Alpha Fund L.P., a Delaware limited partnership with limited liability
- LACM World Small Cap Equity Fund L.P., a Delaware limited partnership with limited liability
- **Registered Investment Companies** - The Firm provides sub-advisory services to registered investment companies sponsored by unaffiliated third parties.
- **Foreign Investment Companies** - The Firm provides advisory and/or sub-advisory services to the LACM UCITS, other unaffiliated UCITS, and UK Unit Trusts.
- **Collective Investment Trusts** - The Firm provides advisory and/or sub-advisory services to collective investment trusts offered to tax qualified pension and profit-sharing plans and related trusts, governmental plans, and certain other qualified institutional investors.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

As noted in Item 4, Los Angeles Capital employs a quantitative process to select equities and construct accounts. The Firm's strategies rely on an account construction process that utilizes proprietary quantitative tools, models, and risk management processes. The main inputs into the account construction process are the Model's forecasts on individual equities, proprietary risk estimates, and estimated transaction costs.

The investment process begins with the identification of factors that Los Angeles Capital believes investors deem important in assessing the value and risk of a stock. In accordance with the Firm's investment philosophy, the Firm seeks to select factors that capture investor preferences which inform investors' decisions to buy, hold, or sell a stock. These investor preferences include fundamental factors that can be categorized across five different themes: valuation, earnings, management, financial, and market. Investor preferences also include sector and country membership. The contribution to expected returns from these factors can and will vary over the course of a market cycle.

Through the Firm's proprietary attribution and forecasting process, the Model estimates the current risk premium associated with each factor. The Model then generates expected returns for a stock on its current factor exposures and the estimated risk premium for each factor. The Firm's Model incorporates a variety of statistical techniques, some standard and some proprietary, which assist the investment team in evaluating the characteristics of equity securities and their expected payoffs.

The Research department seeks to identify the most appropriate tools that will facilitate the investment process but does so in a way that is also mindful of the risks with each tool. The Firm is aware of the risks of putting too great an emphasis on any one particular aspect of the process and, as a result, attempts to measure and control the risks associated with each of these techniques systematically through the use of proprietary risk management tools. Several of the tools utilized by the Firm would be considered standard methodologies embraced by other practitioners in the industry.

Risks of a Quantitative Investment Process

Financial markets are constantly evolving; therefore, Los Angeles Capital periodically considers enhancements to its Model. While Los Angeles Capital makes reasonable efforts to ensure that its Model works as intended, there is no guarantee that any specific enhancement or revision to the Model will work as expected or that no further revision will be required. There is no guarantee that such enhancements to the various quantitative models will be implemented on a timely basis or provide the intended results and could adversely affect performance. Furthermore, the quantitative models and execution techniques cannot fully match the complexity of the financial markets, and therefore, sudden, and unanticipated changes in underlying market conditions can adversely affect strategy performance.

The Firm's quantitative investment process relies on financial information made available by issuers. The Firm has no ability to independently verify the financial information disseminated by such public companies and is dependent upon the integrity of both the company's management and the financial reporting process in general. Accounting irregularities, fraud, and mismanagement by an issuer can result in false reporting and losses to investors relying on such reports.

The account construction process relies heavily on the use of proprietary and non-proprietary data (both market and non-traditional (i.e., alternative)), software, and licensed, third-party intellectual property. The Firm uses models in the account construction process that are predictive in nature and have inherent risks. These inherent risks include, but are not limited to:

(i) incorrectly forecasting future behavior; (ii) producing unexpected results in unforeseen or certain low-probability scenarios (often involving some kind of market disruption); (iii) relying on the timely distribution, accuracy, and reliability of voluminous data inputs supplied by third parties; (iv) the mathematical and analytical underpinnings of the coding and the accuracy in translating those analytics into program code; (v) the speed that market conditions change, and (vi) the successful integration of the various quantitative models in the account construction process. Each of these inherent risks can lead to potential losses in an account.

Furthermore, the Firm may determine that certain available data, while potentially useful in the Model to generate forecasts and make investment and trading decisions, is not cost effective to gather, store, process, clean and/or organize due to either technology costs or third-party vendor costs and, in such cases, the Firm will not utilize such data. The Firm has full discretion to select the data it utilizes in its investment process.

The Firm's or a third-party's use of new technologies including artificial intelligence ("AI"), generative AI applications or models, open-source AI, language models, and machine learning models to influence investment modeling, application development and coding, or other aspects of the Firm's investment process could have an adverse impact on the Firm's investment process. Use of such applications may directly or indirectly create security, data, operational, and key-person risks. Firm or third-party systems or data that are integrated in the Firm's investment process or general workflows can rely on or utilize such generative or open-source applications or models in providing a product or service, and such applications have access to proprietary or confidential information depending on user inputs in AI models. In addition, inaccurate inputs and the resulting impact on AI modeling cannot be verified and could result in a risk of diminished quality control or false or misleading information, including coding that may be used by the Firm or a third-party. Further, inherent bias in the construction of AI models can lead to a wide array of risks including but not limited to accuracy, efficacy, and reputation. For example, the market environments used to train AI models today could materially differ from future market environments. Finally, the Firm's use of AI increases the key-person risk associated with the expertise needed to build and parameterize custom AI applications.

Additionally, significant competition exists among quantitative investment managers. As a result, to the extent Los Angeles Capital's Model closely resembles those of other quantitative investment managers, there is a risk of a substantial number of market participants taking the same action with respect to an investment, and some of those market participants could be substantially larger in size and impact on the market. Furthermore, there is an increased risk that a market disruption broadly affecting quantitative investment models could adversely affect an

account. Such a disruption could accelerate reductions in liquidity or rapid repricing due to simultaneous trading across a number of investors in the market, thereby causing accounts to suffer material losses.

The research, techniques, and quantitative models developed by Los Angeles Capital are considered confidential and generally will not be disclosed to clients or prospects. Los Angeles Capital is not required and does not expect to disclose information that the Firm reasonably and in good faith considers proprietary and/or a trade secret (e.g., quantitative models) and which cannot be presented in a way that reasonably avoids such confidential disclosure. Furthermore, the Firm may choose not to notify clients about certain of its investment or operational process changes, the vast majority of which will be made without any notification unless required by law or contractual obligations.

Risks of Errors

The nature of complex quantitative investment management processes is such that errors may be extremely hard to detect, and in some cases an error can go undetected for a long period of time. Furthermore, each component of the investment process has elements that present the possibility for human error. In many cases it is not possible to fully quantify the impact of an error given the dynamic nature of the quantitative models and changing markets. While the Firm has a number of controls designed to assure that the investment process and account construction process operate as intended, analytical errors, software errors, development errors, and implementation errors, as well as data errors are inherent risks.

The Firm categorizes errors as falling into one of four primary categories: clerical errors, trade errors, investment process errors, and data errors.

Clerical Errors – Clerical errors relate to trade corrections made subject to firm and custodian established tolerances. Clerical errors are resolved through clerical corrections and are not compensable to the client.

Trade Errors – A trade error is an error by the Firm directly related to the trading process on behalf of a client's account. Trade errors typically fall into one of the following categories: (i) execution; (ii) overdraft; or (iii) guideline. Execution errors relate to trades that record an unintentional transaction. For example, if the Firm sells more shares than are owned in a client's account, a buy is executed as a sell, etc. Overdrafts result in an account being negative cash as of settlement date. Overdrafts may or may not constitute a trade error depending on the circumstances and the client's contractual arrangements.

A guideline error relates to errors where the action or inaction of the Firm causes an active breach of a client's contractual investment guidelines. Errors arising due to market movements or some other event beyond the Firm's control are considered passive breaches of a client's contractual investment guidelines and are not deemed guideline errors. Passive breaches are corrected within a reasonable amount of time or handled in accordance with the client's contractual agreement.

All errors must be corrected in accordance with the Firm's fiduciary duty and in the client's best interest. As a result, Los Angeles Capital will not use client accounts to absorb trade errors that occur in other client accounts. This includes the prohibition of using client accounts to absorb trade errors in Firm proprietary accounts. Soft dollars may also never be used to fix or remedy a trade error.

If the execution error is directly caused by the Firm, it will reimburse the amount of the direct loss to the client. If an execution error results in a gain to the client's account, the client's account will retain the gain, where possible. If the account is unable to accept the gain, the Firm will work with the client to remedy the situation in a manner acceptable to the client.

If the execution error is caused by a third party, the Firm will work with the third party to resolve the error in a manner acceptable to the client.

If the execution error is discovered before settlement, the Firm will first seek to break the trade, revise the trade allocation in line with its trade aggregation policy, or take other corrective measures deemed beneficial to the client.

Depending on the circumstances and a client's contractual agreement, a client's account will be made whole if the overdraft (i) exists upon settlement date; (ii) has been directly caused by the Firm's actions or inactions; (iii) causes a loss to a client's account; and (iv) the loss exceeds the Firm's de minimis level of ten dollars.

If the error is caused by a third party, the Firm will work with the third party to seek to resolve the error in a manner acceptable to the client.

Unless otherwise required by the investment management agreement, sub-advisory agreement, offering or organizational documents of the client, the Firm generally will not notify the client (or the investors therein) that a trade error has occurred.

Investment Process Errors - Investment process errors are those errors that occur during the process of account construction. Examples of investment process errors include analytical errors, software errors, programming errors, development errors, model and code implementation errors, and account parameterization errors.

Los Angeles Capital seeks to make every reasonable possible effort to reduce the likelihood of material errors occurring during the implementation of the Model process. Regardless of the effectiveness of the Firm's risk mitigation efforts, including internal testing, it is not possible to completely eliminate the risk of error as it relates to the programming of the Model and systems that govern the account management and trading functions. As a result, programming and modeling errors could adversely affect a client's account. Programming and modeling errors are often extremely difficult to detect and could go undetected for long periods of time and some will never be detected. Clients and investors should assume that programming and modeling errors are present, and their ensuing risks and impact are an inherent part of investing with a quantitative investment manager such as the Firm. Accordingly, the Firm does not expect to disclose discovered programming errors deemed immaterial to clients or their investors.

An account parameterization error that results in a guideline breach should be promptly escalated to Compliance and resolved in a manner that is consistent with the Firm's contractual obligations and fiduciary duty to the client.

The use of a trading methodology or model that is not effective could at any time have a material adverse effect on the performance of an account.

Generally, the Firm does not consider an investment process error to be a breach of duty when it acts in good faith in light of the handling of the resolution of such an error. In some cases, the complexity involved and the indeterminate nature of an undertaking to correct an investment process error may cause Los Angeles Capital to, in good faith and in accordance with its obligations, decide not to correct an error if doing so would be imprudent or otherwise not in the best interests of client considerations. In addition, Los Angeles Capital may, in its discretion, determine not to disclose investment process errors not otherwise determined to be compensable or constituting material information to affected clients.

Investment process errors caused by a third party are not covered by the Firm's error policy.

Data Errors - Data used in generating forecasts or making investment and trading decisions on behalf of clients will inevitably contain errors. Certain data errors (e.g., errors in pricing data) could materially adversely affect trading for clients. Clients (and investors therein) should assume that the limitations and risks associated with gathering, mapping, and analyzing large amounts of data from third-parties is an inherent part of investing with a quantitative manager, especially one that invests in a large universe of securities such as Los Angeles Capital.

The Firm uses a variety of third-party data in its investment process and receives data from vendors, some of whom aggregate data from a variety of third-party sources, including index providers. Those data sources and the analytics generated by such data are routinely updated and corrected by the vendor. Despite Los Angeles Capital's efforts to monitor and correct data, errors in respect of the quality, accuracy and completeness of the data may occur from time to time and may not be identified and corrected for a period of time.

In the event a data source is incorrect, incomplete, or unexpectedly becomes unavailable or unreliable, an account may be adversely impacted. In the event that third party data used as an input to any proprietary model or as an input to the account construction process becomes stale due to reasons of supply chain disruption the Research Group is authorized to judge whether or not model estimates based on stale data are appropriate for use in the investment process. If the Research Group believes that the use of a stale input to the modelling process is detrimental to the quality of the model estimates, then it may seek approval to exclude that data input in the construction of the model until such time as the data is deemed sufficiently up to date. Such changes require approval from members of senior management.

While the Firm believes the third-party data sources to be generally reliable, the Firm does not provide any warranty or guarantee that the data received will be accurate or complete and is not responsible for errors by these sources. As such, errors may result in a negative or positive performance impact on the account. The Firm does not consider routine corrections/updates from data vendors to be compensable.

Generally, the Firm will not notify clients or investors of non-compensable errors or incidents.

Systems Disruptions and Cybersecurity Risks

The operations of the Firm are dependent on technology, information, and communication systems. A failure or disruption of any such system or a security breach or cyberattack could significantly disrupt the Firm's operations and may result in financial losses to an account. The Firm's service providers and counterparties are also subject to natural disasters, power failures, interoperability issues, system failures, system disruptions, cyberattacks, cybersecurity threats, and other business continuity events, which, among other adverse consequences, could significantly disrupt the Firm's business operations, create impediments to trading and communications, and may result in financial losses to an account. Cyberattacks include, but are not limited to, gaining unauthorized access to physical resources or digital systems (e.g., through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyberattacks 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).

The increased use of mobile and cloud technologies and remote work heightens these and other operational risks. Although the Firm has systems, processes, procedures, and plans in place designed to reduce the risk of significant business disruptions, system disruptions or failures, breaches and cyberattacks, there are inherent limitations in these systems, processes, procedures, and plans, including that certain risks are not identified, in large part because different or unknown threats may emerge in the future. In addition, there is also the risk that a cybersecurity breach will not be detected. As a result, any such disruption, failure, breach, or cyberattack, whether detected or undetected, could have a material adverse effect on the Firm and on an account. Furthermore, a business continuity event, system disruption, system failure, security breach or cyberattack on the Firm, or any of its service providers or counterparties, could cause the Firm to suffer substantial costs, including those associated with forensic analysis of the origin and scope of the breach; increased and upgraded cybersecurity; investment losses from sabotaged trading systems; identity theft; and unauthorized use of proprietary information. The Firm could also suffer, among other things: disruption to its business; its trading capabilities and the ability of the Firm to transmit payments, including to clients; increased operating costs; liability to third parties; violations of applicable privacy and other laws; regulatory intervention; regulatory fines and penalties; legal costs, reimbursement, or other compensation costs; reputational damage; and additional compliance costs.

If a service provider fails to adopt, implement, or adhere to adequate business continuity plans and cybersecurity measures, or in the event of a breach of its networks, Firm operations may be

disrupted and/or information relating to client accounts, the Firm, the Firm's operations and personal information relating to clients and/or accounts may be lost, damaged or corrupted or improperly accessed, used, or disclosed.

While third-party service providers may have established cybersecurity risk management systems and business continuity plans that are designed to reduce the risks associated with such business disruptions and cyber incidents, there are inherent limitations in such systems and plans including, human error and the possibility that certain risks have not been identified. Accordingly, there is no guarantee that such efforts will be successful, especially since the Firm does not directly control the business continuity or cybersecurity systems or plans of issuers or third-party service providers.

Similar adverse consequences could result from cyberattacks or cyber incidents affecting issuers of securities in which an account invests, governmental and other regulatory authorities, exchanges and other financial market operators, custodians, banks, brokers, dealers, insurance companies and other financial institutions (including financial intermediaries and other service providers for accounts) and other parties. In addition, substantial costs may be incurred by the Firm to prevent any cyber incidents in the future.

Investment Strategies

Investing in securities involves the risk of loss that clients should be prepared to bear. An investment in any strategy by itself is not a balanced investment program for purposes of account diversification. Clients should carefully review the risks of investing and the appropriateness of an investment in any of the Firm's strategies for their overall investment program.

While most accounts have unique investment guidelines and a number of accounts have a custom strategy, most of the accounts generally fall within one of the following equity strategies:

- U.S. All Cap: An equity strategy which seeks to outperform benchmarks such as the Russell 3000 Index and the Wilshire 5000 Index
- U.S. Large Cap: An equity strategy which seeks to outperform benchmarks such as the S&P 500 Index, Russell 1000 Index, MSCI US Index, and FTSE US Index
- U.S. Large Cap Growth/Value: An equity strategy which seeks to outperform benchmarks such as the Russell 1000 Growth or Value Index
- U.S. Mid Cap: An equity strategy which seeks to outperform benchmarks such as the S&P Mid Cap Index and the Russell Mid Cap Index

- U.S. Small Cap: An equity strategy which seeks to outperform benchmarks such as Russell 2000 Index, and MSCI US Small Cap Index
- U.S. Small Cap Growth/Value: An equity strategy which seeks to outperform benchmarks such as the Russell 2000 Growth or Value Index
- U.S. Micro-Cap: An equity strategy which seeks to outperform benchmarks such as the Russell Microcap Index
- Emerging Markets: A core emerging markets equity strategy which seeks to outperform benchmarks such as the MSCI Emerging Markets Index
- EAFE, World, Global Equity: An equity strategy which seeks to outperform benchmarks such as the MSCI EAFE Index and MSCI World Index. Strategies may exclude certain countries.
- World Small Cap: An equity strategy which seeks to outperform benchmarks such as the MSCI World Small Cap Index
- Global Equity Managed Volatility: An equity strategy which seeks to outperform benchmarks such as the MSCI ACWI Minimum Volatility Index
- UK Equity: An equity strategy which seeks to outperform benchmarks such as FTSE All Share Index
- U.S. and EAFE Long/Short Active Extension (130/30): An equity strategy which seeks to outperform benchmarks such as the S&P 500 Index and the MSCI EAFE Index
- Long/Short Absolute Return: An equity strategy which seeks to outperform benchmarks such as T-Bills
- Outcome Oriented:
 - World Defensive Income: A world equity strategy for retirees who require a high dividend yield and downside protection to deliver consistent income in retirement and better capital preservation than traditional equity accounts.
 - Dividend Growth: A world equity strategy for investors in the latter phases of employment or early retirement who require inflation protection to preserve the real value of future income.

- **Sustainable Equity:** A sustainable world equity strategy for investors beginning to save for retirement and who are able to withstand above-average levels of market risk while seeking to increase long-term results. The strategy seeks to (a) maximize the potential excess returns and (b) achieve an improved ESG profile through the identification of companies better managing their ESG risks.

The Firm also provides customized solutions for clients seeking a targeted ESG approach in any of the above strategies. The Firm's approach to responsible investing includes ESG factor modeling, custom ESG solutions, and ESG risk management considerations.

Accounts are typically managed with a specific benchmark along with return/risk parameters. Investments in securities that are subject to market forces risk the permanent loss of capital as a result of adverse market developments, which developments can be unpredictable. To the extent that an account is concentrated in any one particular strategy, the risk of any incorrect investment decision is increased.

The Firm may add strategies, undertake custom strategies, remove strategies, or modify any of the strategies it employs, and this includes any of the strategies discussed above. There can be no assurances that the investment objectives associated with a strategy will be met.

Strategy Risks

This brochure is not a complete discussion of the risks of any of the Firm's commingled fund or advisory services. The principal risks of investing in the Firm's equity strategies are as follows:

- **Active Management Risks:** Each actively managed account is subject to management risk. Active management risk refers to the risk that an investment strategy may fail to produce the intended results (e.g., underperforming the account's benchmark). While the Firm seeks to control the level of active management risk consistent with each account's investment guidelines, there will be periods when the active management process fails to meet its investment objective. This may occur due to a shift in market sentiment where previously favorable characteristics become penalized due to estimation or other errors in the forecasting or risk management process. To the extent an account is overweight its investments in certain countries, companies, industries or market sectors, such positions will increase that account's exposure to risk of loss from adverse developments affecting those countries, companies, industries, or sectors.
- **Asian Regional Risks:** Investing in equity securities of issuers located in Asia involves a high degree of risk and special considerations in addition to those described in this section, including, but not limited to, China Investment Risks, Currency Risks, Emerging

Markets Risk, Foreign (Non-U.S.) Securities Risks, Geographic Concentration Risks, Geopolitical Risks, Liquidity Risks, Market Risks, Regulatory Risks, and Sanctions Risks. Many Asian countries have experienced rapid growth and industrialization in recent years, but there is no assurance that this growth rate will be maintained. Other Asian countries' economies, however, have experienced high inflation, high unemployment, currency devaluations and restrictions, and over-extension of credit. Many Asian countries are subject to political risk, including political instability, corruption, and regional conflict with neighboring countries, and economic or environmental events, the occurrence of which in any one Asian country may have a significant economic effect on the entire Asian region, as well as on major trading partners outside Asia. Any adverse event, including rising geopolitical tensions between the U.S. and China, in the Asian markets may have a significant adverse effect on some or all of the economies of the countries in which an account invests. China is a key trading partner of many Asian countries and any changes in trading relationships between China and other Asian countries may affect the region as a whole. In particular, a territorial dispute involving Taiwan could cause adverse impact in the economies of Asian countries other than China or Taiwan. Certain Asian countries have developed increasingly strained relationships with the U.S. or with China, and if these relations were to worsen, they could adversely affect Asian issuers that rely on the U.S. or China for trade. In addition, many Asian countries are subject to social and labor risks associated with demands for improved political, economic, and social conditions. These risks, among others, may adversely affect an account's performance.

Third parties such as local brokers, settlement centers, and data providers that the Firm relies on for its investment process, may have staffing, datacenters, or other operational dependencies in Asian countries that may be adversely impacted by geopolitical activity affecting the region. This could result in supply chain disruption or disruption to other aspects of a security's trade cycle, including the ability to trade securities with a certain counterparty or trade in issuers in a certain country.

- **China Investment Risks:** Investing in Chinese equity securities involves a high degree of risk and special considerations in addition to those described in this section, including, but not limited to, Asian Regional Risks, Currency Risks, Emerging Markets Risk, Foreign (Non-U.S.) Securities Risks, Geographic Concentration Risks, Geopolitical Risks, Liquidity Risks, Market Risks, Regulatory Risks, and Sanctions Risks. Investments in China-based issuers or those associated with the country, such as those with operations there or deriving revenue from local operations, can be subject to considerable degrees of

economic, political, and social instability. The Chinese government does significantly influence China's economy through government industrial policies, monetary policy, regulations, management of currency exchange rates, and management of the payment of foreign currency-demand obligations. Changes or uncertainty in government policies or direction can adversely impact industries or companies in the People's Republic of China ("China", or "the PRC") or Hong Kong. Current and future sanctions activity focusing on Chinese governmental policy or Chinese issuers could contribute to further instability and general uncertainty, including risk of the ability to freely access the Chinese or Hong Kong market or conduct securities transactions within such markets. Jurisdictional countermeasures or retaliatory actions may further impair the value and liquidity of Chinese securities. Additional risks associated with investments in China and Hong Kong include exposure to currency fluctuations, less liquidity, expropriation, confiscatory taxation, nationalization, exchange control regulations (including currency blockage), regulatory restrictions (including tightening oversight of quantitative trading) and differing legal standards. Any spread of an infectious illness, public health threat or similar issue could reduce consumer demand or economic output, result in market closures, travel restrictions or quarantines, and generally have a significant impact on the Chinese economy, which in turn could adversely affect an account's investments. The adoption or continuation of protectionist trade policies by one or more countries (including the U.S.) could lead to decreased demand for Chinese products and have an adverse effect on the Chinese securities markets. Certain securities are, or may in the future become, restricted, and an account may be forced to sell such restricted securities and incur a loss as a result. U.S. companies that source material and goods from China and those that make large amounts of sales in China would be particularly vulnerable to an escalation of trade tensions. Uncertainty regarding the outcome of the trade tensions and the potential for a trade war could cause the U.S. dollar to decline against safe-haven currencies, such as the Japanese yen and the euro. Events such as these and their consequences are difficult to predict, and it is unclear whether further tariffs may be imposed, or other escalating actions may be taken in the future. Events in any one country within Greater China (normally considered to be the geographical area that includes mainland China, Hong Kong, Macau, and Taiwan) may impact the other countries in the region or Greater China as a whole.

- **China A.** Certain investment in China via listed A-shares (shares of mainland Chinese companies) trade through the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect programs ("Stock Connect"), which involve

additional risks. The Stock Connect requires the use of developing settlement, banking, and legal systems, which may include significant penalties for failed trades. In addition, the relevant regulations are untested and subject to change, and there is no certainty as to how they will be applied. Stock Connect can only operate when both the PRC and Hong Kong markets are open for trading and when banking services are available in both markets on the corresponding settlement days. As such, if one or both markets are closed on a business day, the Firm may not be able to dispose of shares in a timely manner which could adversely affect an account's performance. Furthermore, investment in China A-shares via Stock Connect is subject to certain foreign ownership limitations and same-day trading limits which may restrict the ability to invest in China A-shares through the program on a timely basis and as a result, the ability to access the China A-shares market will be adversely affected. Additionally, the Stock Connect may suspend or limit trading in the China A-shares available via Stock Connect, which would limit an investor's ability to sell stock and repatriate capital. Those exchanges can have a higher rate of stock suspensions than exchanges in other emerging markets. Stock Connect available securities generally may not be sold, purchased, or otherwise transferred other than through Stock Connect and investors may have to rely on a third-party nominee to be able to enforce shareholder rights. Stock Connect securities are traded in renminbi, so investors investing with their home currency will face foreign exchange risks, including governmental foreign exchange control policies, relative to their home currency.

- **Counterparty Risks:** The risk of settlement default by any counterparty and the exposure to credit risk of parties with whom the account trades. If a counterparty fails to meet its contractual obligations; experiences insolvency or bankruptcy; experiences a business interruption; or experiences other financial distress or difficulties ("Distress Event"), an account could be unable to recover amounts owed to it by the counterparty, miss investment opportunities, or otherwise hold investments it would prefer to sell, resulting in losses. Furthermore, for accounts that permit short sales or use derivatives, counterparties require an account to maintain all or a set amount or percentage of its assets with such counterparty or its affiliate(s), which increases the risks associated with a Distress Event with respect to such counterparty. There can be no assurance that a counterparty will be able or willing to make timely settlement payments or otherwise meet its obligations, especially during usually adverse market conditions. Although the Firm seeks to do business with a counterparty that it believes are creditworthy and

capable of fulfilling their respective obligations to the Firm's clients, the Firm is under no obligation to use a minimum number of counterparties with respect to an account, or to maintain account balances at or below any relevant insured amounts. Additionally, although in the event of a Distress Event, the Firm expects to exercise contractual remedies under any agreements with counterparties, there can be no assurance that such remedies will be successful or avoid losses or delays.

To the extent a trading counterparty uses algorithms to implement orders from the Firm, and such algorithms are incorrect, incomplete, or corrupted, any decisions or investments made in reliance thereon expose accounts to additional risks, including losses. Furthermore, potential counterparties that trade in the securities of emerging markets issuers may not possess, adopt, or implement creditworthiness standards, financial reporting standards, or legal and contractual protections similar to those in developed markets.

An account also may be subject to "bail-in" risk under applicable law whereby, if required by the financial institution's authority, the financial institution's liabilities could be written down, eliminated, or converted into equity or an alternative instrument of ownership. A bail-in of a financial institution may result in a reduction in value of some or all of its securities and, if an account holds such securities, or has entered into a transaction with such a financial institution when a bail-in occurs, such account may also be similarly impacted.

- **Currency Risks:** For those strategies investing in non-U.S. companies, risks that there may be unfavorable fluctuations in currency exchange rates, restrictions on exchange, and other currency risks. Adverse changes in currency exchange rates relative to the U.S. Dollar may erode or reverse any potential gains from an account's (or a portion of an account's) investment in securities denominated in foreign currency or may widen existing losses. Depending on the particular mandate, the Firm may engage in currency transactions either on a spot (i.e., cash) basis at the rate prevailing in the currency exchange market, or by entering into forward foreign currency exchange contracts to purchase or sell currencies as agent for the Firm's client. Accounts are dependent upon the creditworthiness and good faith of the counterparty when entering into a forward foreign currency exchange contract. Spot and forward contracts involve the risk that anticipated currency movements will not be accurately predicted, which may result in unlimited losses in an account. Using forward foreign currency exchange contracts does not eliminate fluctuations in the underlying prices of the securities. Forward foreign currency exchange contracts simply establish a rate of exchange that can be achieved at

some point in the future. Forward foreign currency exchange contracts are not standardized and are not traded on exchanges designated by the U.S. government. Forward foreign currency exchange contracts are not guaranteed by an exchange or a clearing house and the failure of a counterparty with whom a forward contract is made would likely result in a default. It may be difficult to enforce the contractual obligations of a non-U.S. counterparty in the event that a counterparty refuses to perform under a forward contract.

- **Depository Receipt Risks:** For those strategies that invest in non-U.S. companies, depository receipts involve risks similar to those associated with investments in foreign securities, such as changes in political or economic conditions of other countries and changes in the exchange rates of foreign currencies. Depository receipts listed on U.S. exchanges are issued by banks or trust companies and entitle the holder to all dividends and capital gains that are paid out on the underlying foreign shares (“Underlying Shares”). When an account invests in depository receipts as a substitute for an investment directly in the Underlying Shares, the account is exposed to the risk that the depository receipts may not provide a return that corresponds precisely with that of the Underlying Shares. Also, a depository receipt may be withdrawn at any time, and the waiting period for the shares being sold and the proceeds distributed to investors may be complex.
- **Derivatives Risks:** For those strategies that are permitted to invest in derivatives (including options, futures, forward contracts, and swap contracts), the risks of increased illiquidity and leverage that can result in a loss substantially greater than the amount invested in the derivative itself. In addition, a market could become temporarily unavailable if unusual events (e.g., volume exceeds clearing capability) were to interrupt normal exchange operations. If trading is interrupted in an underlying instrument, the derivative on that instrument is usually halted as well. Dealers in any derivative will not be able to close out their positions until trading resumes in the underlying instrument, and they could face considerable losses if the instrument reopens at a substantially different price. Certain derivatives have the potential for unlimited loss.
 - **Futures Contracts Risks.** Positions in futures contracts may be closed out only on an exchange that provides a secondary market for such futures. However, there can be no assurance that a liquid secondary market will exist for any particular futures contract at any specific time. Thus, it may not be possible to close a futures position. Futures prices are highly volatile, and in the event of adverse price movements, an account would continue to be required to make daily payments to maintain its required margin. It is also possible that an account could both lose

money on futures contracts and also experience a decline in the value of its securities. There is also a risk of loss by an account of margin deposits in the event of the bankruptcy of a broker with whom an account has an open position in a futures contract.

- ***Illiquidity of Derivative Instruments.*** The Firm may enter into a transaction on behalf of a client involving privately negotiated OTC derivative instruments, including among others, portfolios of selected securities. There can be no assurance that a liquid secondary market will exist for any particular derivative market at any particular time. OTC derivative instruments, unlike exchange-listed instruments, are not guaranteed by an exchange or clearinghouse and thus are generally subject to greater credit risks and the possibility of non-performance by the counterparty.
- **Emerging Markets Risks:** For emerging markets accounts or strategies that have a portion invested in emerging market countries, there are a number of risks associated with investing in foreign securities of emerging market countries including:
 - The small size of markets for such securities and the low or non-existent volume of trading could potentially result in a lack of liquidity and greater price volatility. This risk may be greater with respect to small cap emerging markets companies.
 - There is less political, social, and economic stability.
 - The existence of certain national policies may restrict investment opportunities including restrictions on investment in issuers or industries deemed sensitive to national interests.
 - There are risks associated with foreign taxes, nationalization, and expropriation (without adequate compensation). Emerging markets countries typically have less transparent or well-defined tax laws and procedures, and laws may permit retroactive taxation so that an account could in the future become subject to local tax liabilities that had not been anticipated in conducting its investment activities or valuing its assets.
 - There are risks associated with restrictive currency controls. Some emerging market currencies may not be internationally traded or may be subject to strict controls on foreign investment by local governments as well as restrictions on currency conversions and limits on repatriation of invested capital. This can result in the improper valuation of currencies. Future restrictive exchange controls could prevent or restrict a company's ability to make dividend or interest payments in the original currency of the obligation. In addition, even though the currencies of

some emerging markets countries may be convertible into US dollars, the conversion rates may be different than the actual market values and may be adverse to an account.

- Risks associated with less developed legal structures and systems governing foreign investments which may limit the rights and remedies available for judicial process to address enforcement of private property rights and/or redress for injuries to private property.
 - Risks that accounting, financial reporting, audit standards, and recordkeeping may not exist or be lacking and that there may be less information available.
 - Risk of a higher degree of corruption and fraud and the potential for market manipulation.
 - An account may have limited access to, or there may be a limited number of potential counterparties that trade in the securities of emerging markets issuers. Risks associated with settlement and clearance procedures that differ from those in the U.S. markets such as differences in the timing of or delays in the payment for or delivery of securities that are not typically associated with U.S. investments.
 - Risks associated with higher brokerage, custody, and tax costs as compared to those of the U.S. markets.
 - The absence of a long-term capital markets structure or market-oriented economy and the possibility that recent favorable economic developments in some emerging countries may be slowed or reversed by unanticipated political or social events in such countries. In addition, many emerging countries have experienced substantial and, in some periods extremely high rates of inflation which may have negative effects on the economies and securities markets in certain countries.
 - Investing in emerging market securities that are economically tied to a particular region, country or group of countries can make an account more sensitive to adverse political or social events affecting that region, country, or group of countries.
- **Environmental Risks:** are associated with environmental events or conditions and their effect on the value of assets to which the account could have exposure. Such risks can arise in respect of a company itself, its affiliates or in its supply chain and/or apply to a particular economic sector, geographical or political region. Environmental risks include but are not limited to climate change, natural resources, pollution, and waste. Climate risk includes both physical and transition risk. Physical risk arises from the physical effects of climate change, both acute and chronic. For example, frequent and severe climate-

related events can impact products and services and supply chains. Transition risk whether policy, technology, market, or reputation risk arises from the adjustment to a low-carbon economy in order to mitigate climate change.

- **Equity Market Risks:** The risk that stocks and other equity securities generally fluctuate in value more than bonds and may decline in value sometimes sharply and unpredictably, over short or extended periods based on changes in an issuer's financial condition, overall market conditions, such as real or perceived economic, technological, regulatory, and political conditions, social developments, recessions, fear of recessions, inflation, trading suspensions, public health risks, and perceptions regarding the industries in which an account is invested, or factors and events related to specific markets, countries, or companies in which an account is invested. These conditions may affect developed countries as well as emerging markets. Furthermore, a financial exchange can from time to time suspend or limit trading. Such a suspension could render it difficult or impossible for an account to liquidate affected positions and thereby expose the account to losses. There is also no assurance that off-exchange markets will remain liquid enough for an account to close out positions.
- **ERISA Plan Asset Risks:** If one of the open-ended Private Funds managed by Los Angeles Capital is deemed to hold "plan assets" for purposes of ERISA, such fund will be restricted from investing in any securities which are issued by any employer corporation which is a sponsor of a qualified plan, which is itself an investor and will be subject to other restrictions which it otherwise would not be were it not holding "plan assets."
- **European Investment Risks:** Europe includes both developing and emerging markets. Investing in equity securities of issuers located in Europe involves a high degree of risk and special considerations in addition to those described in this section including, but not limited to, Currency Risks, Emerging Markets Risks, Foreign (Non-U.S.) Securities Risks, Geographic Concentration Risks, Geopolitical Risks, Liquidity Risks, Market Risks, Regulatory Risks, and Sanctions Risks, including risks in connection with Eastern European countries' dependence on the economic health of Western European countries and the EU as a whole. The European Union faces issues involving its membership, structure, procedures, and policies. Subsequent to the United Kingdom's withdrawal from the EU (known as "Brexit"), uncertainties remain relating to certain aspects of the United Kingdom's future economic, trading, and legal relationships with the EU and with other countries. Although the long-term effects of the United Kingdom's withdrawal from the EU are difficult to gauge and cannot be fully known, they could have wide ranging implications for the United Kingdom's economy, including possible inflation or recession,

depreciation of the pound, or disruption to Britain's trading arrangements with the rest of Europe. The resulting uncertainty and market stress, coupled with high government debt of certain countries in the region, could also cause, among other things, severe disruption to equity markets, significant increases in bond yields generally, potential failure or default of financial institutions, including those of systemic importance, a significant decrease in global liquidity, a freeze-up of global credit markets, and worldwide recession. The markets in Eastern Europe remain relatively undeveloped and can be particularly sensitive to political and economic developments since the Eastern European countries generally depend on the economic health of Western European countries and the EU as a whole. An investment in issuers located or operating in Eastern Europe may subject an account to legal, regulatory, political, currency, security, and economic risks specific to Eastern Europe. The economies of certain Eastern European countries rely heavily on the export of commodities, including oil, gas, and certain metals. As a result, such economies may be impacted by international commodity prices and are particularly vulnerable to global demand for these products. Geopolitical events including armed conflict or war, acts of terrorism, and other instability in certain Eastern European countries can cause uncertainty in their financial markets and adversely affect the performance of the issuers to which an account has exposure. The securities markets in some Eastern European countries are substantially smaller and less developed, with less government supervision and regulation of stock exchanges, and may be less liquid and more volatile than securities markets in the U.S. or Western European countries. Furthermore, Eastern European securities markets are particularly sensitive to social, political, economic, and currency events that involve Russia and may suffer heavy losses as a result of their trading and investment links to the Russian economy and currency or its neighbors.

Third parties such as local brokers, settlement centers, and data providers that the Firm relies on for its investment process, may have staffing, datacenters, or other operational dependencies in Eastern European countries that may be adversely impacted by geopolitical activity affecting the region. This could result in supply chain disruption or disruption to other aspects of a security's trade cycle, including the ability to trade securities with a certain counterparty or trade in issuers in a certain country.

- **Financial Institution Risks:** Actual events involving reduced or limited liquidity, defaults, non-performance or other adverse developments that affect financial institutions or other companies in the financial services industry, including banks and other custodians, or impact the financial services industry generally, as well as concerns or rumors about

any events of these kinds, have in the past and may in the future lead to market-wide liquidity problems, defaults on financial obligations, non-performance of contractual obligations and other adverse impacts on these financial institutions, investors that deposit funds and securities at these institutions, lenders and borrowers of these institutions, and other companies in the financial services industry. In 2023, several banks were closed by their state regulatory authority and/or the Federal Deposit Insurance Corporation and/or were sold prior to closure. Such seizures and sales caused corresponding uncertainty and operational measures for depositors, borrowers and market participants generally. The Federal Deposit Insurance Corporation could be appointed as receiver for other banks in the future. Investor concerns regarding the U.S. or international financial systems could result in less favorable commercial financing terms, including higher interest rates or costs and tighter financial and operating covenants, or systemic limitations on access to credit and liquidity sources, thereby making it more difficult to acquire financing on acceptable terms or at all. Any decline in available funding or access to cash and liquidity resources could, among other risks, adversely impact an issuer's ability to meet operating expenses, satisfy financial obligations, or fulfill other obligations, or result in breaches of financial and/or contractual obligations. Any of these impacts, or any other impacts resulting from the factors described above or other related or similar factors not described above, could have material adverse impacts on holdings or the account's performance.

- **Foreign (Non-U.S.) Investment Restrictions Risks:** For those strategies investing in non-U.S. companies, risks that foreign countries may limit the amount of investments by foreign persons, limit investments to certain classes of securities, or limit the purchase and sale of non-U.S. companies.
- **Foreign (Non-U.S.) Securities Risks:** For those strategies investing in foreign securities, including depositary receipts, there are risks that are not associated with investing in U.S. securities that can adversely affect an account's performance. Foreign markets, particularly emerging markets and to a greater extent small or mid cap emerging markets, may be less liquid, more volatile, and subject to less government supervision than U.S. markets. The possibility of loss of all or a substantial portion of an account's assets invested in non-U.S. securities as a result of expropriation, nationalization, or other confiscation. The value of an account's investment may be negatively affected by currency exchange rate fluctuations. There may be difficulties enforcing contractual obligations, and it may take more time for trades to clear and settle. There may be higher brokerage commissions and custody fees and in some foreign markets there may not be

strong protections against failure by other parties to complete transactions. Foreign securities and cash may be held with foreign banks, clearing corporations, agents and securities depositories that are organized recently or new to the foreign custody business. In some countries, foreign banks, clearing corporations, agents, and securities depositories may be subject to less regulatory oversight. Further, assets held by such third-parties may be subject to legal regimes that provide fewer or different investment protections than the U.S. (including with respect to the priority of any claims that an account may have upon a bankruptcy, insolvency, or liquidation. Investments in emerging markets may be subject to even greater custody risks and costs than investments in more developed markets.

- **Foreign (Non-U.S.) Taxation Risks:** For those strategies investing in non-U.S. companies, risks that different tax regimes in foreign jurisdictions may subject clients to withholding or other taxation that would not be imposed in other markets.
- **Geographic Concentration Risks:** Risks that investments could be concentrated in companies located in similar regions with similar reactions to political, social, and economic developments with the potential for being adversely affected by legislative changes affecting the values of companies in such regions.
- **Geopolitical Risks:** Risks that market disruptions caused by economic, financial, or political events and factors, including but not limited to, international wars or conflicts, geopolitical developments (including trading and tariff arrangements, sanctions, and cybersecurity attacks), instability in regions such as Asia, Eastern Europe, and the Middle East, terrorism, and other unanticipated events. The extent and duration of such events and resulting market disruptions cannot be predicted but could be substantial and could magnify the impact of other risks to investors. These and other similar events could adversely affect the U.S. and foreign financial markets and lead to increased market volatility, reduced liquidity in the securities markets, significant negative impacts on issuers and the markets and government intervention. They may also cause short- or long-term economic uncertainties in the United States and worldwide. As a result, whether or not an investor invests in securities of issuers located in or with significant exposure to the countries directly affected, the value and liquidity of the investments in an account may be negatively impacted. Further, due to closures of certain markets and restrictions on trading certain securities, the value of certain securities held could be significantly impacted, which could lead to those securities being valued at zero and such zero valuation could potentially remain for a long period of time.

- **Globalization Risks:** The risk that the growing interrelationship of all global economies and financial markets has increased the effect of conditions in one country or region on issuers of securities in a different country or region.
- **Investment Restriction Risks:** An account may restrict possible investments if they do not meet certain criteria. This will affect the account's exposure to certain issuers and will cause the account to forego certain investment opportunities relative to indices which cover the same broad universes, but which do not apply such screens. Therefore, the account may perform differently to other accounts in the same strategy that do not seek to restrict such investments.
- **Investment Style Risks:** The risk that the particular style or set of styles that the Firm primarily uses may be out of favor or may not produce the best results over short or longer time periods and may increase the volatility of the value of the investment account. Each strategy exposes the client's capital to the risk of an extremely rapid and severe decline in value in the event of a sudden change in the level of volatility (e.g., a market crash) that is not anticipated by the Firm.
- **Investments in ETFs Risks:** Risks associated with additional fees and expenses associated with exchange traded funds ("ETFs") and the risks that in less efficient markets, it may be difficult to match an ETF seller with a buyer.
- **Investments in Larger, More Established Companies Risks:** For those strategies that invest in larger, more established companies, there are risks associated with their larger size. For example, larger, more established companies may be less able to respond quickly to new competitive challenges, such as changes in consumer tastes or innovation from smaller competitors. Also, larger companies are sometimes less able to attain the high growth rates of successful smaller companies, especially during extended periods of economic expansion.
- **Investments in Micro-Cap, Small, and Mid-Sized Companies Risks:** For those strategies that invest in micro-cap, small, and mid-sized companies, there are risks associated with less predictable earnings, limited product lines, limited markets, limited distribution channels and financial resources with management of such companies being limited to one or a few key personnel. The market movements of these companies may be more abrupt and volatile than those related to larger, more established companies, or the stock market in general and micro-cap and small-sized companies, in particular, are generally less liquid than the equity securities of larger companies, and this could make it difficult to sell a micro-cap or small company security at a desired time or price. In general, smaller sized companies are also more vulnerable than larger companies to adverse business or

economic developments and they may have more limited resources. In addition, relative to larger capitalization company stocks, the stocks of micro-cap, small, and mid-sized companies are thinly traded, and purchases and sales may result in higher transaction costs.

- **Issuer Risks:** The risk that the value of a security may decline for reasons directly related to the issuer, such as management performance, earnings, financial leverage, ESG risks, reductions in asset values, and reduced demand for the issuer's goods or services.
 - **Issuer Governance Risks** are associated with the quality, effectiveness, and process for the oversight of day-to-day management of companies in which an account invests or otherwise has exposure. Such risks may arise in respect of the company itself, its affiliates or in its supply chain. These risks include, but are not limited to, a lack of diversity at the board or governing body level, inadequate external or internal audit functions, infringement, or curtailment of rights of minority shareholders, bribery and corruption, lack of scrutiny of executive pay, poor safeguards of personal data/IT security of employees and/or customers, and absence of appropriate and effective safeguards for employment related risks.
- **Leverage Risks:** For accounts with a long/short, market neutral, or a limited shorting strategy, the account's strategy is inherently leveraged, and the account will be exposed to heightened risk through investment leverage. Additionally, borrowing funds, trading on margin, and certain derivative instruments, including but not limited to, forward contracts, futures contracts, options, and swaps, are inherently leveraged. For example, an extremely high degree of leverage is typical of a futures trading account; as a result, a relatively small price movement in a futures contract price may result in substantial losses to an account. Any leverage, including instruments and transactions that are inherently leveraged, can result in an account's market value exposure being in excess of the net asset value of the account. As a result, an account could need to liquidate positions when it is not advantageous to do so to satisfy its borrowing obligations.
- **Liquidity Risks:** The risk associated with any event, circumstance, or characteristic of an investment or market that negatively impacts an account's ability to sell, or realize the proceeds from the sale of, an investment at a desirable time or price. An account's performance can be reduced because the account may be unable to transact at advantageous times or prices. Investments that are illiquid or that trade in lower volumes can be more difficult to value. Liquid account investments can become illiquid or less liquid after purchase by the account due to low trading volume, adverse investor perceptions, governmental sanctions, and/or other market developments. Liquidity risk

can be more pronounced in periods of market turmoil or in situations where ownership of shares of the account is concentrated in one or a few investors.

- **Market Risks:** The risk of experiencing excessive or persistent losses in the event that disrupted markets and/or other extraordinary events affect markets in a way that is not consistent with historical pricing relationships. Financial market turbulence and reduced liquidity in equity, credit, and/or fixed income markets and changes in interest rates can negatively affect many issuers, which could adversely affect an account. Additionally, natural and environmental disasters, including weather related phenomena, also can adversely affect individual issuers, sectors, industries, markets, currencies, countries, or regions. Local, regional, or global events such as natural disasters, war, acts of terrorism, social and political discord, recessions, the spread of infectious illness or other public health issue (including pandemics), or other events can result in market volatility and have long-term effects on global economies and financial markets and have a significant adverse impact on an account and its investments. 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 worldwide. Furthermore, through social media false or misleading information about a company or stock can be spread to large numbers of people with minimum effort and at a relatively low cost. The creator of the false information can also conceal their true identities by acting anonymously or even impersonating credible sources of market information.
- **Operational Risks:** The risks that arise from factors such as processing errors including human errors, inadequate or failed internal or external processes, procedures and controls, failures in systems and technology, changes in personnel, employee fraud, and errors caused by third-party service providers or trading counterparties. Although the Firm has developed policies and procedures intended to monitor and minimize operational risks, including business continuity policies and procedures, these policies, procedures, and controls may not address or anticipate every operational risk related to an account, including, in particular, those risks that the Firm does not foresee as material, and they may not operate as intended in the event of a natural disaster or other business continuity event. Additionally, the investment operations of an account are dynamic and complex. As a result, certain operational risks, including without limitation, those arising from human error, natural disasters, failed systems, incompatible systems, or events beyond the Firm's control, are intrinsic to the investment operations of an account, especially given the volume, diversity, and complexity of transactions that are generally entered into daily, and are unlikely to be eliminated. There may also be failures or

instances that cause losses to an account or impact the Firm's or a third party's functions. Unless otherwise agreed in writing with a client, the Firm typically will not be responsible for errors caused by the Firm's reasonable reliance on third parties, such as brokers, dealers, FCMs, custodians, administrators, technology providers, agents, data sources and other providers, and data or information such third parties provide or fail to provide. For example, Los Angeles Capital generally determines whether an account should elect or otherwise attempt to participate in a corporate action based on a variety of factors. In most cases, it is the responsibility of the custodian for the account to (i) timely and effectively communicate the corporate action notices to the Firm and (ii) once instructed, to execute the instructions accurately. In those cases where a corporate action notice is not received in a timely fashion or has not received reliable information, the Firm may be unable to take action or be required to take different action than desired. This may result in different actions being taken for different accounts.

- **Performance Fee Risks:** For those accounts that pay performance fees based on unrealized gains, risks that fees paid on an unrealized gain may never be realized. Performance fees may provide incentives for the Firm to make riskier investments.
- **Pooled Funds Risks:** For those clients investing in pooled vehicles, there is the risk of expenses that vary depending on the size of the investments by other investors in the vehicle as well as the risk of substantial redemptions requiring the liquidation of positions at an inopportune time or on unfavorable terms. Investors in pooled funds should carefully read the risk section of the offering memorandum or private placement memorandum that is tailored to the strategy and terms of such fund.
- **Price Volatility Risks:** The risk that the value of the investment account will change as the prices of its investments go up or down.
- **Prime Broker Risks:** With respect to strategies that employ short selling, some or all of an account's assets are held in one or more margin accounts at the prime broker, which may provide less segregation of client assets than would be the case with a more conventional custody arrangement. This is a risk that the brokerage firm ceases to operate and is not covered by adequate insurance. In the event the prime broker experiences severe financial difficulty, an account's assets could be frozen and inaccessible for withdrawal or subsequent trading for an extended period of time while the prime broker's business is liquidated, resulting in a loss to the account.
- **Proprietary Trading Methods Risks:** The Firm's trading methods are proprietary, therefore, a client or investor will not be able to determine any details of such methods, whether they are being followed, or if the methods are successful.

- **Real Estate-Related Investment Risks:** Investments in real estate investment trusts (“REITs”) and in securities of other companies (wherever organized) principally engaged in the real estate industry subject an account to, among other things, risks similar to those of direct investments in real estate and the real estate industry in general. These include risks related to general and local economic conditions, possible lack of availability of financing and changes in interest rates or property values. REITs are also subject to the risk of failing to qualify for favorable tax treatment under the Internal Revenue Code of 1986, as amended. The failure of a REIT to continue to qualify as a REIT for tax purposes can materially and adversely affect its value.
- **Regulatory Risks:** Regulatory actions and rulemaking in any country may cause significant disruption to trading, equity prices, industries, or issuers. These risks may be greater in certain countries or sectors with different levels of scrutiny or government intervention. For those strategies investing in non-U.S. companies, risks include that there may be less government supervision and regulation of foreign securities markets with foreign companies being subject to less stringent and less uniform accounting, auditing and financial reporting standards and disclosure requirements, and reduced and less reliable publicly available information about foreign markets and issuers.
- **Reliance on Administrator Risks:** An administrator performs services which are integral to the operation of each of the Private Funds or other commingled funds. Failure by the administrator to carry out its obligations to each of the funds in accordance with the terms of its agreement, including circumstances where the administrator has breached the terms of its agreement, could have a materially detrimental impact on the operation of the funds.
- **Responsible Investing Risks:** Accounts with responsible investment constraints or parameters can limit the number of investment opportunities available to such accounts, and as a result, an account may produce different returns than accounts not subject to such constraints or parameters. Accounts that employ a tilt toward better ESG scoring companies carry the risk that the account could underperform when compared to similar strategies that do not utilize additional ESG considerations or screening in account construction. Additional ESG criteria, beyond that which is incorporated in the Model will result in the account forgoing opportunities to buy certain securities when it might otherwise be advantageous to do so or selling securities for ESG reasons when it might be otherwise disadvantageous for it to do so. Furthermore, the Firm’s assessments of ESG characteristics can at times reduce an account’s exposure to market sectors or types of investments that produce positive investment performance. In addition, there is a risk

that the companies identified by the Firm's Model or other sustainability considerations, such as metrics on carbon, do not operate as expected when considering ESG issues. The application of ESG principles and the perceptions of the commitment of a given company to ESG principles vary among investors, analysts, and other market observers. Consequently, the Firm's assessments respecting the ESG characteristics associated with any company may differ from the perceptions of other people. The Firm's proprietary scoring methodology used to identify companies better managing their ESG risks is dependent upon information and data that may be incomplete, inaccurate, or unavailable, which could cause the Firm to incorrectly assess a company's ESG practices. Accounts are subject to ESG-related risks, some of which are not captured by the Firm's investment process.

- **Russia Investment Risks:** Investments in Russian equity securities involves significant risks that are specific to Russia, in addition to those described under Currency Risks, Emerging Markets Risks, Foreign (Non-U.S.) Securities Risks, Geographic Concentration Risks, Geopolitical Risks, Liquidity Risks, Market Risks, Regulatory Risks, and Sanctions Risks, including:
 - Risk of current and future sanctions activity contributing to further geopolitical tensions, stability, and general uncertainty
 - Inability to freely conduct securities transactions, including access to assets custodied, held, or traded in Russia
 - Risk of delays with the settlement of account transactions
 - Risk of jurisdictional countermeasures or retaliatory actions by the Russian government or other governments which may further impair the value and liquidity of Russian securities
 - Risk that various responses by other nation-states to alleged Russian cyber activity will adversely impact Russia's economy and Russian issuers of securities in which an account invests
 - The possibility of loss of all or a substantial portion of an account's assets invested in Russia as a result of expropriation, nationalization or other confiscation
 - Risk that an account may not be able to pursue claims on behalf of its investors because of the system of share registration and custody, and because Russian banking institutions and registrars are not guaranteed by the Russian government.
- **Sanctions Risks:** The U.S., other nations, or other governmental entities have imposed sanctions against issuers or companies in certain countries. This could limit an account's investment opportunities in certain countries, jurisdictions, or regions, impairing the

account's ability to invest in accordance with its investment strategy and guidelines, and/or to meet its investment objective. In addition, current sanctions or the threat of potential sanctions may also impair the value or liquidity of affected securities and negatively impact an account. An imposition of sanctions could result in an immediate freeze of the issuers' securities, impairing the ability of an account to buy, sell, receive, or deliver those securities. Further, issuers may be indirectly or negatively impacted by sanctions even if such issuers are not identified as the target of such sanctions. Issuers with operations or revenues in a country, jurisdiction, or region that is subject to sanctions may experience negative impact in a variety of forms, including but not limited to the loss of assets, limited access to the market, or the inability to continue to receive revenues.

- **Sector Risks:** Risks that a significant amount of an account could be invested in certain sectors which may be subject to specific risks such as governmental monetary and fiscal policies that could negatively affect a particular sector.
- **Settlement Risks:** As the United States and other jurisdictions move to a T+1 settlement cycle while others remain with a T+2 or later settlement cycle, there is an increased risk for failing trades and additional trading costs due to the compressed timeline to allocate, affirm, and resolve trade issues. This is particularly the case for clients who engage in securities lending in the T+1 jurisdictions that will have a shortened settlement period in which to recall lent securities. A failure to timely recall a security could result in a buy-in or additional costs to cure. For clients that require trading on a specific date ahead of cash receipt with long settlement, there will be additional trading costs associated with such arrangements. With the jurisdictional differences in settlement cycles, there is also a greater risk of incurring overdraft charges and the need for slightly larger cash balances to minimize any overdrafts. Additionally, the settlement mismatch could adversely impact account performance due to larger cash drag on an account.
- **Short Sale Risks:** For those strategies that permit short sales, the unlimited risk that an increase in the market price of securities sold short could result in unlimited losses. Additionally, in times of unusual or adverse market, economic, regulatory, or political conditions, an account might not be able to, fully or partially, implement its short selling strategy. There can be no assurance that securities necessary to cover a short position will be available for purchase or at a reasonable price. Furthermore, global regulatory prohibitions on short sales may impair the Firm's ability to implement its investment process. Regulatory bans may add additional constraints to a strategy, which may increase transaction costs as well as the time required to monitor compliance with the

restrictions. There is also the risk that the counterparty to the short position or the broker-dealer will not fulfill its contractual obligations, causing losses to an account.

- **Social Risks:** Risks that may be internal or external to a business and are associated with employees, local communities, and customers of companies in which an account invests or otherwise has exposure. Social risks also relate to a business's vulnerability to, and its ability to take advantage of, broader social "megatrends". Such risks may arise in respect of the company itself, its affiliates or in its supply chain. Social risks include but are not limited to internal social factors, external social factors, and social "megatrends".
- **Sustainability Risks:** Sustainability risks could arise within a particular business or externally, impacting multiple businesses. Sustainability risks that could negatively affect the value of a particular investment might include the following: (i) Environmental, such as extreme weather events such as flooding and high winds; pollution incidents; damage to biodiversity or marine habitats (see "Environmental Risks"); (ii) Social, such as labor strikes health and safety incidents such as injuries or fatalities; product safety issues (see "Social Risks"); (iii) Governance, such as accounting fraud; discrimination within a workforce; inappropriate remuneration practices; failure to protect personal data (see "Issuer governance Risks"); (iv) Regulatory, such as the introduction of new regulations, taxes or industry standards to protect or encourage sustainable businesses and practices. The Firm utilizes quantitative techniques to make investment decisions for clients and generally seeks to control risk systematically using its quantitative techniques and proprietary technology. However, "sustainability" is not uniformly defined, and there are significant differences in interpretations of what it means for a company to meet sustainability criteria. To the extent that sustainability risks as defined by a specific regulation are integrated into a client's investment decisions, they are typically integrated within the totality of events and conditions that inform investment decisions under the Firm's investment and risk management programs. Assessment of sustainability risks is complex and may be based on data, which is difficult to obtain, incomplete, out of date, or otherwise materially inaccurate (see "Responsible Investing Risk"). Moreover, the impacts following the occurrence of a sustainability risk may be numerous and vary depending on the specific risk and asset class. Therefore, even when identified, there can be no assurance that any sustainability risks will be effectively managed or mitigated.
- **Tax Risks:** The Firm's investment process does not take into consideration a particular client's tax characteristics or attributes, including those that specifically apply to the account. Clients should consult with their own tax advisers.

- **Turnover Risks:** The risks associated with market movements and account turnover with associated higher brokerage costs and the potential for higher current realization of capital gains.
- **Use of Simulations Risks:** The Firm may present simulated performance to an institutional client or prospect for a strategy that is not then offered by the Firm or to demonstrate the potential impacts of changes to an existing strategy. Simulated results are derived from the retroactive application of the Firm's proprietary investment model technology currently in use, over an identified past period. Significant limitations are inherent in simulated results, as simulations do not represent actual trading and do not reflect material changes to the Model that have occurred over time and thus reflect the benefit of hindsight. Simulated performance results represent the application of the Firm's investment model technology as in effect at the time the simulation was created, and there can be no assurance that the investment model technology will remain the same in the future or that an application of the model in the future will produce similar results because the relevant market and economic conditions that prevailed during the hypothetical performance period will not necessarily recur. Changes to the Model are reflective of research about factors and their combinations as well as statistical processes conducted by the Firm. The factors that might have influenced the Model in prior periods and their impact on results cannot be predicted. As a result, actual results in a similarly managed client account will have performed materially different than results reflected in the simulation. Simulated performance will also vary by the size of the account simulated as transaction costs increase with size. Unlike the Firm's typical trading process, the simulation assumes that (i) the account was optimized at the end of each month but can be run with a different frequency such as weekly or quarterly; and (ii) trading occurred on that same date; and (iii) 100% of all equity trades are completed in the first day of trading at the close. However, in practice, account trades are made shortly after an account is optimized. The simulation does not reflect (i) changes in brokerage commission rates; (ii) the impact of inflows or outflows over the period simulated; (iii) client restrictions; or (iv) impact of limited portfolio manager or regulatory imposed changes outside the Model. Furthermore, transaction cost estimates and foreign exchange data may be unavailable, or data may be incomplete, or proxy data used, which will cause differences between the simulation and actual performance. Simulated trading does not involve financial risk, and no simulation can completely account for the impact of financial risk of actual investing and trading. There are numerous other factors related to the markets in general or to the implementation of any investment strategy which cannot be fully accounted for in the

preparation of simulations and all which can adversely affect performance results. There can be no assurance that the actual performance of a strategy will match the simulated performance.

- **Valuation Risks:** Valuation of account investments may be difficult, such as during periods of market turmoil or reduced liquidity, and for investments that may, for example, trade infrequently or irregularly. In these and other circumstances, an investment may be valued using fair value methodologies, which are inherently subjective, reflect good faith judgments based on available information and may not accurately estimate the price at which the account could sell the investment at that time.

Although the risks described herein are generally described separately, clients and prospects should consider the potential effects on investments of the interplay of multiple risk factors.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose in this Item all material facts regarding any legal or disciplinary events that would be material to a client's or prospective client's evaluation of the Firm or the integrity of its management. Los Angeles Capital has no information to report applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

Broker, Dealer, Commodity Registrations

As of the date of this filing, none of Los Angeles Capital, its parent entities, its UK Subsidiary, and their respective management persons are registered or have an application pending to register as a broker-dealer, municipal securities dealer, government securities dealer, or representative of a broker-dealer, futures commission merchant, commodity pool operator, or commodity trading advisor.

The UK Subsidiary is discussed in Item 4 above, and each employee of the UK Subsidiary is deemed to be "a person associated with" Los Angeles Capital (as defined in Section 202(a)(17) of the Advisers Act) and subject to Los Angeles Capital's supervision and control.

Other Material Relationships

Limited Partnerships - Los Angeles Capital acts as both the general partner and the investment adviser to the following privately offered limited partnerships, each of which is offered to a limited number of qualified institutional investors in reliance on the exemption from registration provided by Section 4(a) (2) of the Securities Act and Rule 506 thereunder.

The LACM ACWI Ex U.S. Equity Fund L.P. (the “ACWI Ex U.S. Partnership”) was organized to invest primarily in long positions of equity securities in developed (excluding the US) and emerging markets and futures and derivatives contracts related thereto.

The LACM Emerging Markets Fund L.P. (the “EMF Partnership”) was organized to invest primarily in long positions of equity securities in emerging markets and futures and derivatives contracts related thereto.

The LACM EMII, L.P. (the “EMII Partnership”) was organized to invest primarily in long positions of equity securities in emerging markets and futures and derivatives contracts related thereto.

The LACM Global Equity Fund L.P. (the “GEF Partnership”) was organized to invest in long positions of equity securities in developed and emerging markets and futures and derivatives contracts related thereto.

The LACM Large Cap Alpha Fund L.P. (the “LCAF Partnership”) was organized to invest primarily in long and short positions of large capitalization equity securities and futures and derivative contracts in the U.S. markets. The LCAF Partnership employs a long/short equity investment strategy by maintaining both long and short positions of large cap equity securities so that the net equity exposure, long allocation less short allocation, is maintained at approximately 100%.

The LACM World Small Cap Equity Fund L.P. (the “WSCF Partnership”) was organized to invest in long positions of small cap equity securities in developed markets and futures and derivatives contracts related thereto.

Los Angeles Capital has engaged KPMG LLP to audit the financials of its privately offered limited partnerships as well as those of the Firm.

LACM UCITS - Los Angeles Capital acts as the investment adviser to the Los Angeles Capital Global Funds plc, a UCITS fund registered with the Central Bank of Ireland. The LACM UCITS has one sub-fund, LACM Global Sustainable Equity Fund. The sub-fund seeks to provide capital appreciation by investing in equity securities which are listed, traded, or dealt-in on regulated global markets. In countries where the UK Subsidiary is authorized, the UK Subsidiary acts as a distributor of the

LACM UCITS to institutional investors in countries where the applicable sub-funds are registered or where there is an available exemption from registration.

Los Angeles Capital has engaged Grant Thornton (Ireland) to audit the financials of the LACM UCITS.

Please see Item 5 – Fees and Compensation – Commingled Investment Vehicles for conflicts disclosures.

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

Los Angeles Capital has implemented a Code of Ethics that establishes the rules of conduct for Los Angeles Capital, its parent entities, and its wholly owned subsidiaries to assist the Firm in meeting the requirements of Rule 204A-1 of the Investment Advisers Act, Rule 17j-1 of the Investment Company Act of 1940, and the Financial Conduct Authority Principles for Business and Conduct of Business. These policies and procedures generally relate to the Firm's standards of business conduct and employee personal trading practices that are designed to manage any actual or potential conflicts of interest. Every employee of the Firm is considered an Access Person, unless otherwise exempted by Los Angeles Capital's Approving Officers.

Code of Ethics

Los Angeles Capital anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will buy, sell, or hold securities in client accounts that are directly or indirectly held by Los Angeles Capital and/or its Access Persons. As a result, Los Angeles Capital's Access Persons, and their family members, including a spouse or domestic partner, a minor child, any relative or significant other living in the employee's household ("Related Parties") are required to follow Los Angeles Capital's personal trading procedures.

General Principles

The Firm acts as a fiduciary to its clients and investors and therefore has an affirmative duty of care, loyalty, honesty, and good faith to act in the clients' best interests. The Firm's personnel have an obligation to uphold these duties. At a minimum, the Firm and its Access Persons must conduct themselves in accordance with the following principles at all times:

- The duty to place the interests of clients before the Firm and themselves
- The duty to conduct business with integrity
- The duty to act in a professional and ethical manner

- The duty to act with skill, competence, and diligence
- The duty to communicate with clients in a timely and accurate manner
- The requirement that all personal securities transactions be conducted in such a manner as to be consistent with the Firm's Code of Ethics and to avoid any actual or potential conflict of interest or any abuse of an Access Person's position of trust and responsibility
- The duty to protect client assets
- The duty to take reasonable care to organize and control the Firm's affairs responsibly and effectively, with adequate risk management
- The principle that investment adviser personnel should not take inappropriate advantage of their positions
- The duty to keep information concerning the identity of security holdings and the financial circumstances of clients confidential
- Decisions affecting clients are to be made with the goal of providing suitable advice and equitable and fair treatment among clients
- The duty to keep communications with clients or prospective clients candid and fulsome, true and complete, and not misleading or misrepresentative
- The principle that independence and objectivity in the investment decision making process is paramount
- The duty to report any violations of the code to the Chief Compliance Officer or General Counsel

In addition, each employee must comply with applicable federal securities laws and Firm policies, and as an adviser the Firm and its employees are prohibited from the following:

- Employing a device, scheme or artifice that would defraud an investment advisory client
- Making an untrue statement of a material fact to a current or prospective client or investor or omitting a material fact that would be necessary in order to make the statements not misleading
- Engaging in any act, practice, or course of business which operates or would operate as a fraud or a deceit upon a client
- Engaging in any manipulative practice with respect to a current or prospective client or investor
- Engaging in any manipulative practice with respect to securities, including price manipulation, acting on, or spreading false market rumors
- Making use of any information that an employee may have become aware of by virtue of his/her relationship with a current or prospective client or investor organization

Restrictions on Personal Trading

Subject to the above, Access Persons of Los Angeles Capital and their Related Parties may trade for their own accounts in securities which are recommended to and/or transacted in for Los Angeles Capital's clients. The Code of Ethics is designed to avoid actual and potential conflicts of interest and ensure that the personal securities transactions, activities, and interests of the Access Person and their Related Parties will not interfere with (i) making decisions in the best interest of advisory clients; and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Under the Code of Ethics, certain classes of securities have been designated as reportable, restricted, or exempt transactions, based upon a determination of materiality and potential interference with the best interest of Los Angeles Capital's clients. In addition, the Code of Ethics requires pre-clearance authorization from both the Trading and Compliance departments for certain transactions. Nonetheless, because the Code of Ethics in some circumstances would permit Access Persons and their Related Parties to invest in the same securities as clients, there is a possibility that the Access Person or Related Party might benefit from market activity by a client in such security. Access Person and Related Party trading is continually monitored under the Code of Ethics and is designed to reasonably identify and prevent conflicts of interest between Los Angeles Capital and its clients.

Outside Business Interests

Employees are not permitted to engage in Outside Business Interests without written approval from their supervisor, the CCO, General Counsel, and the CEO. Approval is subject to the implementation of procedures to safeguard against potential conflicts of interest.

Restrictions on Gifts and Entertainment

Los Angeles Capital has a policy governing gifts, favors, entertainment, or other things of material value that includes approval or reporting processes for gifts and entertainment provided to or given by Los Angeles Capital employees.

Whistleblower Policy

The Firm has a policy requiring employees to report any suspected or actual illegal activity or activities not in compliance with the Firm's formal written policies and procedures, including the Firm's Code of Ethics.

Insider Trading Rules

From time to time, Los Angeles Capital employees may come into possession of material, non-public information (“MNPI”) which, if disclosed, might affect a reasonable investor’s decision to buy, sell, or hold a security. Los Angeles Capital has a policy on insider trading that prohibits employees from trading securities, either personally or on behalf of others, including client accounts, while aware of MNPI about the issuing company or that may impact an issuing company. The policy further prohibits the communication of such MNPI to others in violation of the law. The policy establishes procedures to mitigate the receipt and spread of MNPI and to prevent insider trading that could be attributed to the Firm or its employees. Accordingly, should Los Angeles Capital employees come into possession of MNPI with respect to an issuer or a comparable issuer, Los Angeles Capital employees (i) will not take or refrain from taking any action, recommending, or transacting in the issuer or a comparable issuer on behalf of themselves or others, including client accounts; (ii) report the matter to Compliance or Legal; and, (iii) refrain from discussing the MNPI with anyone inside or outside the Firm and protect the information from others who may have access to it. Where an employee has come into possession of MNPI about an issuer, there are limited circumstances that would allow the Firm’s trading in the issuer or a comparable issuer to continue. These limited circumstances are permissible due to the Firm’s quantitative investment process and are contingent upon implementation of prescribed procedures to establish information barriers.

All employees receive Code of Ethics and Insider Trading training and must provide written acknowledgement of receipt of such policies and of their intention to comply. Material changes to the Code of Ethics and Insider Trading policies are made available, as amended, to all employees.

A complete copy of Los Angeles Capital’s Code of Ethics is available to clients or prospective clients upon request by contacting the Firm’s CCO via email at compliance@lacapm.com.

Other Conflicts of Interest***Arrangements with Affiliates and Others***

Los Angeles Capital acts as both the general partner and the investment adviser to the ACWI Ex U.S. Partnership, the EMF Partnership, the EMII Partnership, the GEF Partnership, the LCAF Partnership, and the WSCF Partnership. As such, Los Angeles Capital has up to a 1% general partner interest in each partnership. Los Angeles Capital earns management fees which sometimes include performance fees directly from each partnership or its investors. Therefore, Los Angeles Capital may recommend to clients investment products in which Los Angeles Capital has some financial interest, and during the course of trading may buy or sell for itself securities

it also recommends to clients. Los Angeles Capital recommends an investment in the partnerships only when consistent with its fiduciary duty.

Los Angeles Capital acts as the investment adviser to LACM Global Sustainable Equity Fund, an Irish registered UCITS sub-fund of Los Angeles Capital Global Funds plc. In that capacity, Los Angeles Capital earns management fees directly from the fund, and if negotiated with an investor, Los Angeles Capital will receive performance fees from the investor. Los Angeles Capital's UK affiliate recommends an investment in this sub-fund to non-U.S. investors only when consistent with its fiduciary duty.

The Firm makes payments, out of its own profits, to unaffiliated platforms for distribution and sales support activities, including services related to shares or shareholders of the LACM UCITS for which the Firm provides investment advisory services.

Please refer to Item 6 for a description of how Los Angeles Capital mitigates these conflicts in its investment process.

The UK Subsidiary enters into distribution arrangements with respect to the LACM UCITS. The UK Subsidiary does not receive compensation from the LACM UCITS for providing such services. However, the UK Subsidiary is remunerated by the Firm under a global services agreement between them. Under this arrangement the UK Subsidiary's remuneration is calculated on the basis of its expenses plus a fixed percentage of qualifying expenses. Furthermore, any new arrangements between affiliates are reviewed by Compliance, Legal, and/or the Firm's Board for any potential conflicts of interest.

Clients/Service Providers

The Firm purchases products and services from clients. For example, Los Angeles Capital purchases data and analytic systems for use in its Research or Portfolio Management departments. In certain circumstances, these data and/or analytic system vendors may also be in the business of investment consulting and may serve as an investment consultant to a current or prospective client. The Firm has a potential conflict in such circumstances because the Firm may be incentivized to favor its clients from whom it purchases products and services.

In addition, from time to time the Firm trades in securities issued by our clients, including for its own proprietary accounts. The Firm has a potential conflict in such circumstances because the Firm may be incentivized to favor its clients that issue securities over the account on whose behalf the Firm is making the investment. Similarly, some of our vendors are issuers of securities that

the Firm may trade in from time to time. Los Angeles Capital may determine that it is in the best interests of our clients to purchase or sell securities issued by one of these entities.

It is Los Angeles Capital's policy that its clients' interests take precedence and that its employees and Access Persons disregard any other relationship, arrangement, material interest, or conflict of interest which may serve to influence, or appear to influence, its discretionary management. In addition, contracts with service providers are negotiated at arms-length. Please refer to Item 6 for a description of how Los Angeles Capital mitigates these conflicts in its investment process.

Item 12 – Brokerage Practices

Counterparties

Los Angeles Capital does not have an affiliated broker-dealer and seeks to achieve best execution when selecting broker-dealers on behalf of client accounts through its approved list of brokers, dealers, Futures Commission Merchants (FCMs), and directly accessed execution venues. The Firm executes orders in a variety of exchanges and "off-exchange" venues depending on availability in each market.

Los Angeles Capital negotiates the same bundled equity execution commission rate by market across all of its equity broker-dealers and venues¹. Equity broker-dealers may be added after Trading and/or Compliance review the Brokerage Questionnaire and Brokerage Execution Mapping Matrix², and after approval from the Best Execution Committee. Foreign Exchange dealers, prime brokers, FCMs, and directly accessed execution venues go through a diligence review process and are added to the approved list with approval from the Best Execution Committee. The Firm may elect to suspend usage of any counterparty or venue on its approved list at the direction of the chief trading officer or one of the chief trading officer's designees. Counterparties and venues may be terminated or removed from the approved list with consent from the Best Execution Committee.

When periodically reviewing the equity brokers, dealers, and FCMs on its approved list, the following factors are typically considered: the execution quality and capability, financial strength

¹ Chinese securities trading on the Stock Exchange of Hong Kong may be executed at either the Developed Global rate or the Emerging Markets rate depending on the account's strategy.

² The Brokerage Execution Mapping Matrix provided by each equity broker identifies the counterparties the broker will utilize when executing in various markets.

and stability, and responsiveness to the Firm. Additionally, one or more of the following factors may be considered in monitoring the continued inclusion on the Firm's approved list:

- Quality of overall execution services provided
- Results of diligence or risk-based reviews
- Ability and willingness to promptly resolve and correct errors
- CSDR settlement penalties
- Ability to commit capital to facilitate principal transactions
- General reputation, disciplinary history, and stability (financial or otherwise)
- Specific expertise the broker-dealer may have in executing and settling trades for the particular type of security, basket of securities, or in a specific region
- Technology infrastructure and quality of electronic or algorithmic trading strategies
- Participation in client directed brokerage programs
- Willingness to accrue and pay for approved and qualifying soft dollar products
- Willingness to and ability to execute illiquid trades

The Firm targets no more than 20% of its aggregate equity commission dollars (across all accounts managed by the Firm) to any one approved brokerage firm over the calendar year.³ The Firm reserves the right to re-evaluate this ratio periodically.

Los Angeles Capital negotiates the same bundled equity commission rate with each broker-dealer executing in a particular market (e.g., U.S./Canada, Developed Global, and Emerging)⁴. While the vast majority of equity trades are executed at the Firm's standard rates, on occasion, the Firm places equity trades at higher or potentially lower commission rates.⁵ Paying such non-standard rates could, for example, allow the Firm to more timely fill an order; not subject an order to market volatility; not subject an order to concerns about future liquidity; or take advantage of discounts on lower priced stocks. Futures commissions vary by contract type, broker-dealer, and account.

³ Aggregation is based on commissions paid among all regions.

⁴ Chinese securities trading on the Stock Exchange of Hong Kong may be executed at either the Developed Global rate or the Emerging Markets rate depending on the account's strategy.

⁵ For example, commissions are generally not assessed on trades that are less than USD \$1.00/share, zero commissions may be negotiated on some trades, and broker principal trades may be executed at a negotiated rate higher than LACM's standard commission table.

Prime Brokers

Strategies that engage in short trading utilize the services of a prime broker for some or all of the following functions:

- Arranging for the receipt and delivery of securities bought, sold, borrowed, and lent
- Arranging payment for security purchases and sales
- Maintaining custody of cash and securities
- Providing leverage financing
- Tendering securities in connection with Los Angeles Capital's directive on tender offers, exchange offers, mergers, and other corporate reorganizations

For those accounts where the Firm is responsible for selecting the prime broker, the Firm performs various assessments including the following:

- Financial strength and credit quality
- Product offerings that minimize counterparty risk
- Fee structure
- Flexibility in reporting and service capabilities
- Quality of stock loan pool
- Technological capabilities
- Global capability and reach
- Knowledgeable and responsive support staff
- Corporate structure

Directly Accessed Execution Venues

In the event the Firm utilizes a directed accessed execution venue, the following factors are periodically considered:

- Quality of overall execution services provided
- Results of diligence or risk-based reviews
- General reputation, disciplinary history, and stability

Client Directed Brokerage

Unless a client's investment management agreement states otherwise, Los Angeles Capital typically has full discretion and authority to determine the securities to be bought or sold for clients, the amount of such securities (subject to client-established guidelines), and the counterparties or venues to be used for trade execution. A client may request in writing that Los Angeles Capital direct a portion of the client's commissions in certain strategies to a particular

broker-dealer in exchange for services received by the client. Regardless of client directed brokerage instructions, Los Angeles Capital has a duty to seek to achieve best execution and this may prevent Los Angeles Capital from meeting client directed brokerage targets. Accounts with client directed brokerage arrangements will pay the bundled equity commission rate.

Los Angeles Capital's client directed brokerage arrangements are structured to comply with the CFA Institute Soft Dollar Standards regarding client directed brokerage. Accordingly, Los Angeles Capital will not permit commissions from one client account to satisfy the client directed brokerage requirements set by another client account.

Trading Strategy

The overall best execution objective is to complete order lists that represent the best qualitative and quantitative execution for an account without incurring unnecessary trading costs, including both implicit costs (the cost associated with the delay in getting trades to the market) and explicit costs (broker commissions and other fees and taxes).

Los Angeles Capital uses a variety of different trading strategies and techniques in its efforts to achieve best execution for accounts. Different trading strategies may be utilized by the Firm's traders and/or portfolio managers depending on market conditions, liquidity considerations, client activity, risk tolerance levels, or other circumstances.

Account trading strategies include, but are not limited to, varying the frequency and order of account rebalances (e.g., weekly, semi-monthly, monthly, or quarterly), varying the grouping of accounts or markets to be traded within accounts on a particular day (e.g., trading U.S. accounts before global accounts, or rotating weeks between strategies), varying account turnover, aggregating trade lists, aggregating specific names within trade lists, varying names traded as a block, using third-party algorithms, using limit orders, and adjusting executing broker-dealer trade strategy instructions. The Firm reserves the right to explore trading strategies, methods, and processes to further its best execution mandate for client accounts.

Based on a variety of factors including the strategy, guidelines, risk metrics and turnover goals, Los Angeles Capital determines the trading frequency for each account. Most accounts currently trade at least semi-monthly, and others may trade more or less frequently depending on such things as turnover goals, market conditions, and other factors unique to the strategy or markets in which they are invested.

Los Angeles Capital has designed a proprietary Brokerage Allocation Randomization system for objectively pairing which equity broker-dealer to use when executing an account's transactions

based on regional market eligibility/suitability characteristics, as well as perceived execution capability of the equity broker-dealer in such regional markets. The Brokerage Allocation Randomization system is automated on a weekly basis with a new pairing selection output each week.⁶ For U.S. strategy accounts, accounts are assigned equity broker-dealers by randomized logic, then assigned to a trader by the chief trading officer or his/her designee. For non-U.S. strategy accounts, equity broker-dealers are assigned by randomized logic across global regions or based on strategy (e.g., emerging markets). To facilitate the Brokerage Allocation Randomization system, the Firm's Best Execution Committee reviews its approved equity broker-dealers to determine global suitability by region or strategy and to establish a standard of peer equivalency when selecting an equity broker-dealer to be eligible in various regional markets. This general selection randomization based on review of fundamental quality was structured to avoid any incentives to actively direct commissions to a particular equity broker-dealer.

The Firm's proprietary accounts using trading or portfolio management strategies that have been made available to other clients, are primarily invested in liquid, benchmark securities, and may be traded in rotation with client accounts or on a particular day of the week depending on liquidity, size, and model constraints.

Proprietary accounts using trading or portfolio management strategies that have not been made available to other clients are traded in rotation with client accounts but utilize segregated personnel and employ system access controls to prevent information sharing.

Foreign Exchange

Los Angeles Capital trades foreign currencies to facilitate the operational cash requirements of an account and to facilitate settlement of foreign equity trades in markets where it is permitted to do so and where the operational risks of active currency trading are not deemed excessive. These foreign currency transactions are traded for spot, short date forwards, or in line with the equity trades' settlement cycle by utilizing, but not limiting itself to, a multi-dealer trading platform that generates competitive broker-dealer quotes and provides foreign currency trading algorithms, all in an effort to achieve favorable foreign exchange pricing.

For countries with restricted currency markets, countries where the operational risk of active currency trading is deemed excessive, or where custodial limitations exist, certain tags are included in SWIFT instruction, or standing instructions are in place at the client's custodian to

⁶ The chief trading officer or his/her designee may permit an exception to the randomization output for a variety of reasons, including but not limited to broker availability, news absorbed post-randomization, commission recapture directives, etc.

execute these foreign currency transactions. Standing instructions are executed by the client's custodian in accordance with its policies and local market practices. With respect to restricted currency markets, the Firm is not able to assist in trying to achieve favorable pricing. In these circumstances, the client has the responsibility for ensuring that it is receiving acceptable execution from its custodian.

Los Angeles Capital's third-party multi-dealer platform enables the Firm's foreign exchange traders to analyze the quoted rates for currency pairs from its foreign exchange dealers to execute the most competitive rate available at the time of the trade. Participation rates among foreign exchange dealers are reviewed during Best Execution Committee meetings in an effort to maintain depth and competitiveness among the Firm's foreign exchange execution program.

Foreign exchange dealer rosters are not uniform across accounts or currencies. For instance, some dealers only trade semi-restricted currencies for their own custody clients, and some dealers have contractually limited the accounts in their trading agreements. Accounts with limited dealer rosters are excluded from netting to not constrain clients with the full roster.

Los Angeles Capital engages a third-party consulting service to assist in understanding, isolating, and monitoring the indirect or hidden transaction costs of trading foreign currency. Analysis of the trades executed through custodian standing instructions may be limited due to the availability of detailed transaction data from the executing custodian or delays in sourcing the data.

When trading foreign exchange derivatives with counterparties other than the client's custodian bank, Los Angeles Capital negotiates and/or enters into an International Foreign Exchange and Currency Option Master Agreement (IFXCO), ISDA Master Agreement, or other agreement with the counterparty.

While it is ultimately the client's decision, Los Angeles Capital encourages the use of Continuous Linked Settlement⁷ ("CLS") to ensure simultaneous wires and minimize settlement risk.

⁷ CLS mitigates settlement risk through the provision of its unique payment versus payment settlement service which has direct links to the real time gross settlement (RTGS) systems of the currencies it settles. In addition to mitigating settlement risk, CLS also streamlines and standardizes FX operations thereby reducing costs.

Futures Trades

If permitted by the client, Los Angeles Capital may utilize exchange traded futures to equitize cash balances as part of its day-to-day management of account cash at the direction of Portfolio Management.

Aggregated Trades

While each client account is managed individually, with trade allocation determined prior to placing each trade with the broker, Los Angeles Capital may, at any given time, purchase or sell the same security in a block that is allocated among multiple accounts. Los Angeles Capital will generally execute transactions for clients on an aggregate basis when it believes that doing so would allow it to obtain best execution and remain consistent with the account's investment guidelines. As such, Los Angeles Capital, from time to time evaluates account trade lists for sizeable or potentially illiquid transactions that may be aggregated among several concurrent account rebalances. There are a number of variables that can influence a decision to aggregate purchases or sales into a block, including but not limited to, order size, liquidity, client trading directives, regulatory limitations, round lot requirements, and cash flows. When there is decision making on whether to include or exclude certain accounts from a block transaction there is always the potential for conflicts of interest. Furthermore, aggregation may operate on some occasions to the advantage of the account and on other occasions to the account's disadvantage. Los Angeles Capital's policies and procedures in allocating trades are structured to treat all clients fairly.

Los Angeles Capital is not required to aggregate any particular trade. For example, an account with directed brokerage may not participate in certain block trades.

Los Angeles Capital allocates trades that are submitted in a block prior to placing the trade with the broker. Clients participating in an aggregated, or block transaction, will receive the same execution price per share, which will reflect an average of prices if a single order is filled in multiple transactions, except in certain markets (e.g., "ID Markets"). In ID Markets regulatory restrictions or workflow limitations may prohibit brokers from averaging execution prices across accounts participating in the block.

If an aggregated transaction is not completely filled, then the partially completed trade is allocated to the participating accounts on a pro-rata basis subject to certain variations. Differences include regulatory limitations, round lot requirements, exchange specific limitations, market specific restrictions, or other circumstances where it would be impractical to provide a partial allocation. For example, if only a very small portion of the aggregated trade is going to a

particular account and the broker is not able to fill the entire block, the broker may exclude the account with the small allocation. While these differences create the potential for conflicts of interest, Los Angeles Capital's directions to brokers are consistent with the Firm's goal to be fundamentally fair on an overall basis with respect to all client accounts. Nevertheless, there can be no assurance that any particular allocation is more or less advantageous to any one account or group of accounts. The process is structured with the goal of no account being advantaged or disadvantaged over time.

Firm proprietary equity orders are not permitted to be aggregated with other client orders.

Investment Decisions

On occasion, Los Angeles Capital may make investment decisions outside of its account optimization process. Portfolio Managers and the Firm's Investment Committee have developed an approved list of investment decisions permitted to be made by Portfolio Management, Traders, and/or Middle office (other than executives having a 25% or greater voting interest in the Firm) in conjunction with trading an account. Investment decisions made outside of the optimization output that are NOT outlined on the approved list or generally permitted by Firm policies require the approval of two members of the Investment Committee ("IC") and one executive Portfolio Manager. Block trades may be executed to facilitate these investment decisions and are subject to the Firm's Aggregated Trade allocation procedures.

Contradictory, Cross-Trading, & Side-by-Side Management

The Firm manages client accounts that have different investment strategies, objectives, restrictions, constraints, launch dates, and overlapping benchmark constituents. Given these customizations and differences, it is possible that Los Angeles Capital may be purchasing or holding a security for one account and simultaneously selling the same security for another account. However, simultaneously purchasing and selling the same security in the same account without the intent to take a bona fide market position ("wash trades") is prohibited. Additionally, it is possible for the Firm to purchase or sell the same security for different accounts during the same trading day but at differing execution prices. The order of account rebalances may work on some occasions to the account's advantage or disadvantage.

The decision as to which accounts participate in an investment opportunity will take into account, among other things, the Model's outlook on the account's strategy, the account's investment guidelines, and the account's risk metrics. Furthermore, global account orders are sent to the market simultaneously subject to prevailing market conditions, client flows, and liquidity.

Emerging Markets account orders are typically aggregated during account rebalances, but the Firm is not required to do so.

Los Angeles Capital's general policy is to not permit an off-exchange cross trade between two of its discretionary client accounts and outright prohibits cross-trades for ERISA accounts. The Firm does, however, submit client account orders through electronic crossing networks which enable the Firm to cross securities with those of other investors in the market, with a view to reducing transaction costs and market impact. While the general policy is to not permit cross trades between clients, should the Firm determine that it is in the best interest for both clients to conduct a cross trade between client accounts, the Firm will implement compliance policies and procedures that define internal approval procedures as well as client consent and notification procedures. Los Angeles Capital will also not conduct any principal transactions for client accounts. 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 from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated fund and another client account. Los Angeles Capital is not registered as a broker-dealer, nor does it have an affiliated broker-dealer.

The Firm has developed trading procedures for its proprietary accounts as outlined in the Trading Strategy section of Item 12. The Firm does not consider a Private Fund or LACM CIT in which the Firm or its employees in aggregate have an investment of less than 25% of the commingled fund's market value to be a proprietary account for trade handling purposes.

Initial & Secondary Public Offerings

In general, Los Angeles Capital will not participate in an Initial Public Offering ("IPO") allocation due to the absence of historical company data. In addition, Los Angeles Capital does not participate directly in secondary offerings.

Soft Dollars

Los Angeles Capital's soft dollar arrangements are structured to comply with the CFA Institute Soft Dollar Standards and the safe harbor provisions under Section 28(e) of the Securities and Exchange Act of 1934 ("Soft Dollar Guidance"). Los Angeles Capital has soft dollar arrangements in place with one its equity broker-dealers to purchase third-party research and other soft dollar eligible products and services and, where permissible, directs client brokerage commissions to these participating, non-affiliated broker-dealers to accrue soft dollar credits.

Los Angeles Capital accrues soft dollar credits on all eligible equity transactions in all accruing accounts with participating broker-dealers and pays the same bundled equity commission rate with each broker-dealer executing in a particular market (e.g., U.S./Canada, Developed Global, and Emerging)⁸. This reduces the need to direct client transactions to any particular broker-dealer to pay for a particular soft dollar product or service. The soft dollar accrual percentage is the same for all accruing accounts regardless of the particular broker-dealer used. Accounts electing not to accrue soft dollar credits pay the execution only equity commission rate. The execution rates are the same across all accounts regardless of whether they are accruing accounts or non-accruing accounts.

Soft dollar credits are not accrued on principal trades, trades a client directs to a particular broker in exchange for services received by the client (“client directed brokerage”), or on error-correcting trades. To the extent any trade is aggregated across several clients, such clients will pay the same higher or lower execution rates and, if soft dollars are permitted, the accruing accounts will pay the same soft dollar rates. Furthermore, Los Angeles Capital may use third-party research and brokerage products or services to benefit clients other than those whose trades generated the soft dollar commissions.

These soft dollar arrangements for the accruing accounts present the potential for a conflict of interest in that Los Angeles Capital could be perceived to have an incentive to trade the accruing accounts in order to generate soft dollars that could be used to pay for research products and/or services. However, Los Angeles Capital believes that by limiting the soft dollar budget in accordance with the SEC’s Soft Dollar Guidance, requiring each broker to apply uniform soft dollar accrual rates across the accruing accounts, and having Los Angeles Capital pay for research to approximate the contribution that would have been made by the non-accruing accounts had such non-accruing accounts permitted soft dollar accruals, the Firm has in part mitigated such conflicts. Further, the amount of turnover generally is directed by the Firm’s investment process and/or client guidelines and not by the level of soft dollar commissions generated by trading an account.

In deciding whether to purchase research and brokerage products or services under Section 28(e), Los Angeles Capital will first determine if the product or service provides lawful and appropriate assistance in the performance of the Firm’s investment decision making responsibilities; secondly, determine if it qualifies as eligible research or brokerage; and lastly,

⁸ Chinese securities trading on the Stock Exchange of Hong Kong may be executed at either the Developed Global rate or the Emerging Markets rate depending on the account’s strategy.

determine in good faith, that the amount of the client commissions paid is reasonable in relation to the value of the products or services received. If the Firm elects to pay for a product or service that is deemed to be “mixed-use,” a conflict of interest arises, since such research product or service partially benefits Los Angeles Capital. Los Angeles Capital will make a reasonable and justifiable allocation of the cost of the product or service according to its use and document the decision process that determines the eligible/non-eligible allocation. The portion of the product or service that provides assistance to Los Angeles Capital in the investment decision making process will be paid for with soft dollars, while the portion that provides administrative or other non-research or brokerage related assistance will be paid for by Los Angeles Capital with cash. Los Angeles Capital benefits from third-party research and brokerage products and services in that it does not have to produce or pay for such research or services. The Firm targets no more than a 25% allocation of its total annual commission budget towards the accrual of soft dollars each calendar year. Allowable research and/or brokerage products or services generally fall into one of the following categories: investment research data, portfolio management and analytics, and trading decision support and research. Investment research data includes such items as company-specific financial statement history, financial analyst sentiment, and market data received in electronic form. Portfolio management and analytics includes such items as account optimization and risk minimization tools. Trading decision support and research includes such items as market analysis and data, pre- and post-trade analytics, and allowable order management system modules. These arrangements may change or vary over time.

Additional information in accordance with the CFA Institute Soft Dollar Standards regarding Los Angeles Capital's trading and soft dollar policy is available upon request.

Item 13 – Review of Accounts

The primary departments that support Los Angeles Capital in its review of client accounts are Portfolio Management, Operations, and Compliance.

The Portfolio Management team (the “PM Team”) touches all aspects of the investment process and is responsible for the ongoing monitoring of client accounts to review the Firm’s factor and alpha forecasts. Furthermore, the PM Team monitors client stated investment guidelines and the Firm’s optimization parameters. The PM Team reports its findings to the Portfolio Review Committee (“PRC”). The PRC is comprised of members of the Investment Committee, Portfolio Management, and Research. The PRC conducts monthly reviews of the Model’s outlook and account performance, characteristics, and risk profiles.

Members of the Portfolio Management and Operations teams regularly monitor and analyze the cash balances in client accounts to confirm sufficient funds are available in local or base currencies, and the Operations team is responsible for daily and monthly account reconciliations with the client's custodian bank. Discrepancies are researched.

The Compliance department provides an additional level of account review to monitor account adherence to regulatory and client specific investment guidelines through the use of its compliance monitoring system. The system generates daily exception reports comparing accounts on both a pre- and post-trade basis against client and regulatory guidelines. Unless otherwise specifically directed by the written agreement governing a client account, guidelines are monitored at the time the trade list is created. Terms such as "generally" and "typically" are interpreted to mean the account will be in compliance with the respective guideline at least 80% of the time. The term "approximately" is interpreted to mean the account will be within 1-2% of the respective guideline. The term "primarily" is interpreted to mean the account will be in compliance with the respective guideline at least 65% of the time.

At a minimum, on a quarterly basis, written reports which list and describe account holdings, trading activity, risk characteristics, and account performance are delivered to clients. At the client's request, Los Angeles Capital will also prepare periodic reports of a similar nature.

Investors in Private Funds, LACM CITs, and the LACM UCITS will receive written partnership or shareholder statements directly from the fund administrator and/or Trustee.

Item 14 – Client Referrals and Other Compensation

The Firm does not currently compensate any person for client referrals.

Brokers

The Firm does receive indirect compensation from its soft dollar practices described in Item 12.

The Firm receives research and other products and services from broker-dealers that execute trades for accounts. Broker-dealers on the Firm's approved broker-dealer roster, Virtu Americas LLC, and Instinet, LLC, provide other services to the Firm, aside from brokerage services, free of charge. These services include such products and services as execution management systems, cost curves data, transaction cost analytics, pre-trade liquidity, macro and company specific research, market structure reports and commentary, program trading conferences, and have provided customizations to their technologies to facilitate the Firm's trading processes.

The Firm's selection of broker-dealers to execute client trades is described in Item 12 and is based on considerations relating to best execution and is not impacted by these arrangements.

Conferences and Events

Los Angeles Capital provides education conferences or events for clients, prospects, and consultants. Los Angeles Capital pays the associated food, beverage, and facilities related expenses for such events. Los Angeles Capital also pays fees to attend, speak at, or assist in sponsoring conferences or events organized by others, including those that have a business relationship with the Firm or its clients. These sponsorship activities may include direct payments to vendors and/or reimbursement of expenses incurred by the organizers of such events. See Item 11 for a description of Los Angeles Capital's code of conduct.

Item 15 – Custody

Los Angeles Capital may be deemed to have custody of a client account within the meaning of Rule 206(4)-2 under the Advisers Act because the Firm may have access to or authority over client funds and securities for purposes other than issuing trading instructions. Separate account clients generally will receive a periodic client account statement from their qualified custodian (typically on a monthly or quarterly basis) indicating the amounts of any funds or securities in the client account as of the end of the statement period and any transactions in the account during the statement period. Los Angeles Capital urges clients to carefully review such statements and compare such official custodial records to account statements provided by Los Angeles Capital. Los Angeles Capital statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. Except as otherwise required by law, Los Angeles Capital will not be liable for any act or failure to act of the client's custodian.

Because Los Angeles Capital serves as a general partner or managing member of the Private Funds, the Firm is deemed to have custody of the Private Funds within the meaning of Rule 206(4)-2 under the Advisers Act. For each of these Private Funds, Los Angeles Capital provides each investor with audited financial statements that comply with U.S. generally accepted accounting practices within 120 days following the funds' fiscal year end.

Investors in the LACM UCITS receive audited financial statements within 120 days following the fund's fiscal year end.

Item 16 – Investment Discretion

Los Angeles Capital usually receives full discretionary authority from the client to select the identity and amount of securities or financial instruments to be bought or sold at the outset of an advisory relationship. This authority is established in each client's written investment management agreement, sub-advisory agreement, limited partnership agreement, or other legal documentation governing the account. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account as set forth in the investment management agreement, sub-advisory agreement, limited partnership agreement, or other agreement that Los Angeles Capital enters into prior to assuming full discretion of client assets. Except as otherwise required by law or express agreement between Los Angeles Capital and a client, Los Angeles Capital will not be liable for any action or instruction of the client or the client's custodian.

When selecting securities and determining amounts, Los Angeles Capital observes the investment policies, limitations, and restrictions of the clients for which it advises. For registered investment companies, Los Angeles Capital's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Clients with brokerage restrictions can and will be accommodated. Investment guidelines and restrictions must be provided to Los Angeles Capital in writing. Because of the differences in client investment objectives and strategies, risk tolerances, tax status, liquidity considerations, and other criteria, there may be differences among clients in invested positions and amounts held.

Los Angeles Capital typically has discretion to select the brokers, dealers, and futures commission merchants used to execute transactions for accounts. Refer to Item 12 for information describing our counterparty selection process.

Item 17 – Voting Client Securities

Proxy voting authority is specified in a client's investment management agreement, Limited Partnership Agreement, LLC Operating Agreement, Prospectus, Trust Agreement, Offering Memorandum or other legal documentation governing the account. Voting ERISA client proxies is a fiduciary act of plan asset management that is performed by the adviser or delegated to a sub-adviser, unless the voting right is retained by a named fiduciary of the plan.

Los Angeles Capital has retained an unaffiliated third-party, to act as an independent proxy voting agent (the “Outside Proxy Provider”). The Outside Proxy Provider provides proxy analysis, voting recommendations and administration, recordkeeping, and manages other operational and reporting matters of the proxy voting process.

The Firm’s Proxy Committee (the “Committee”) is charged with the oversight of Los Angeles Capital’s proxy voting process and is responsible for, among other things developing, implementing, and updating the Firm’s proxy policy, reviewing approving, and/or formulating the Firm’s Guidelines, selecting and overseeing the third-party proxy vendor, identifying any conflicts of interest, determining the votes for issues it elects to vote independently from, or that cannot be voted by, the Outside Proxy Provider, monitoring legislative and corporate governance developments surrounding proxy issues, and meeting to discuss any material issues regarding the proxy voting process. The Committee has designated certain materiality thresholds for situations in which the Committee may vote independently from the Outside Proxy Provider or may take separate actions in regard to securities lending limitations. Materiality thresholds are monitored daily and are escalated to the Committee for review.

When Los Angeles Capital is given proxy voting authority together with a client’s voting policy, the Firm oversees compliance with such client’s policy. When the client elects to use the Firm’s standard proxy guidelines, the client’s proxies will be voted in accordance with the guidelines approved by the Committee. The Committee has approved the use of Glass Lewis’ market-based U.S. and Global guidelines, as such guidelines may be modified from time to time (the “Firm’s Guidelines”). Clients with specific proxy voting goals may direct the Firm to apply a thematic set of proxy guidelines developed by Glass Lewis or provide the Firm with an alternative set of custom guidelines. Clients may request reporting on how proxies were voted for their account.

On an annual basis, the Committee reviews the Firm’s Guidelines. In addition, members of the Committee review a sampling of the Outside Proxy Provider’s voting recommendations and the related proxy materials in determining whether to continue or to modify the Firm’s Guidelines. The Committee does not review all recommendations with respect to all client holdings given the large number of issuers in each client’s account. The Firm will vote according to those recommendations that it does not review.

Although the Firm has adopted set guidelines, where the Firm is authorized to vote, the Firm retains the right to ultimately cast each vote on a case-by-case basis, taking into consideration the applicable proxy guidelines including any contractual obligations or the specific voting policy of the particular client account as well as all relevant facts and circumstances including

information that might be gathered from sources beyond the Outside Proxy Provider. In the event there is a disagreement with the Outside Proxy Provider's analysis as to a particular vote, the Committee will determine whether it is appropriate to vote contrary to the Outside Proxy Provider's analysis provided that such decision is consistent with the approved guideline. In the rare circumstance that the Committee believes it is in the best interest of a client to vote contrary to an approved guideline, the Committee will seek client consent prior to placing a vote that is contrary to an approved guideline.

A client may issue specific directives regarding how particular proxy issues are to be voted for the client's account holdings. Los Angeles Capital requires that the advisory or sub-advisory contract specify such instructions, including instructions as to how those votes will be managed, particularly where they differ from the Firm's Guidelines. While Los Angeles Capital will accept direction from clients on specific proxy issues for their account, the Firm reserves the right to maintain its standard position on all other client accounts for which the Firm has proxy voting authority.

Los Angeles Capital does not generally dialogue with the management of issuers with respect to pending proxy voting issues. Management of issuers, as well as other interested parties, will sometimes release supplemental information that relates to a pending proxy vote. The Outside Proxy Provider and the Firm will not always be able to consider such additional information depending on when it is released and particularly when it is released close to the voting deadline.

In limited circumstances, the Firm may elect to abstain from voting or may be unable to vote a client's proxy. These circumstances include:

- Where the Firm concludes that the effect on shareholder's economic interests or the value of the account holding is indeterminable or insignificant.
- Where the securities related to the vote participate in a securities lending program and are out on loan. In many cases, where a client directs the securities lending, the Firm may not be aware when the security is out on loan and thus may not be able to recall the securities before the record date, subject to the special considerations outlined below.
- Where the related securities are issued in a country that participates in share blocking because it is disruptive to the management of the account.
- Where a required Power of Attorney is not on file, or it is not feasible to get one on file.
- Where in the Firm's judgment the unjustifiable costs or disadvantages of voting the proxy would exceed the anticipated benefit of voting (e.g., certain non-U.S. securities); and

- Where multiple global custodian accounts roll up into one omnibus sub-custodian account. In the specific markets where this may occur, the account managed by the Firm is not registered individually. Therefore, if ballots are voted differently for the underlying accounts, the omnibus vote is considered split and is rejected.

Certain accounts may warrant specialized treatment in voting proxies. Contractual stipulations, individual client direction, and special guideline arrangements will dictate how voting will be done in these cases.

ERISA Accounts

Where the Firm has authority to vote proxies for an ERISA account, the Firm employs the Firm's Guidelines unless otherwise specifically directed by the ERISA plan fiduciary. Where the Firm has authority to vote proxies for a commingled fund that is an ERISA plan asset fund, the Firm employs the Firm's Guidelines.

Securities Lending

Certain situations where Los Angeles Capital may recall securities on loan to vote proxies, if operationally feasible, include: (i) where Los Angeles Capital deems a holding materially significant, (ii) where Los Angeles Capital is directing the securities lending, or (iii) where a client has made arrangements with its custodian to permit standing instructions for the recall of securities out on loan and Los Angeles Capital has agreed to implement the standing instructions.

The Outside Proxy Provider has reported to the Firm that it has policies and procedures in place to ensure the objectivity of its proxy research and vote recommendations, as well as the integrity of the proxy votes it casts on behalf of its institutional clients. If the Outside Proxy Provider identifies a potential conflict of interest between it and a publicly held company, the Outside Proxy Provider will disclose the relationship on the relevant proxy paper research report. In these situations, the Committee will review the proxy paper research report and vote the proxy.

If an unforeseen conflict requires specialized treatment, alternate measures may be taken, up to and including having the Outside Proxy Provider refrain from writing a proxy paper research report and abstaining from making a voting recommendation on the company. In this scenario the Outside Proxy Provider would procure a substitute proxy paper research report from an alternative qualified provider, and the Committee may be required to research and vote the proxy.

If, during the proxy voting process, the Committee identifies a potential material conflict of interest between Los Angeles Capital or an affiliated person of the Firm and the issuer whose ballot is being voted, the client will be notified. If no directive is issued by the client, the Committee will vote in such a way that, in the Committee's opinion, fairly addresses the conflict in the best interest of the client.

In the event that Los Angeles Capital has not been granted authority to vote client securities, clients must make arrangements to receive their proxies or other solicitations directly from their custodian, transfer agent, or other third-party fiduciary that has been granted the authority to vote proxies. In this situation, clients should direct questions relating to a particular solicitation to their voting agent.

A complete version of Los Angeles Capital's Proxy Policy is available to clients and prospective clients upon request. Clients may direct a particular proxy vote or request at any time a copy of the voting records for their accounts through a formal request to the Firm's Director of Portfolio Operations at operations@lacapm.com.

Los Angeles Capital generally will not disclose how it intends to vote on behalf of a client account except as required by applicable law but may disclose such information to a client regarding their account who itself may decide or may be required to make public such information. Los Angeles Capital will not disclose past votes or share amounts voted except: (i) for a valid business purpose as determined in the discretion of the Chief Compliance Officer or Chief Legal Officer, (ii) to the respective client or all investors in a commingled vehicle, (iii) as required on Form N-PX related to Say-on-Pay votes, or (iv) as otherwise required by law.

Class Actions and Proofs of Claim

From time to time, securities that the Firm's clients have owned are the subject of class action lawsuits. Generally, holders of securities within a given class period are entitled to participate in the recovery or settlement in a class action lawsuit by filing a proof of claim. All members of a class are typically bound by a court-approved settlement or judgment in a class action unless they have filed with the court or claims administrator a timely notice choosing to opt-out of the settlement. Los Angeles Capital views the decision to file a proof of claim in class actions to be the responsibility of the client, custodian, or other service provider for the client, and Los Angeles Capital shall not perform such action unless the Firm has expressly agreed in writing to accept such an obligation and is provided by the custodian and client with all necessary information and authorization to permit the Firm to represent the account in such class action. In addition, the decision to elect to opt out of a class settlement is a decision to be made by the client.

Custodians typically receive notices of rights to participate in or opt out of class action settlements. Los Angeles Capital sometimes receives such notices addressed to clients and the Firm has adopted procedures to notify clients and/or their custodian in such instances. The Firm's actions and procedures with respect to class actions depend on the role the Firm has with a client and the client's custodian.

Item 18 – Financial Information

As a registered investment adviser, Los Angeles Capital is required to provide certain financial information or disclosures about its' financial condition. Los Angeles Capital believes that it has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding. Los Angeles Capital does not require or solicit prepayment of more than \$1,200 in fees per client six months or more in advance.