



**Advisory Brochure  
(Part 2A of Form ADV)**

for

**Threadneedle International Limited**

78 Cannon Street, London, United Kingdom, EC4N 6AG

columbiathreadneedleus.com

March 29, 2024

**This brochure provides information about the qualifications and business practices of Threadneedle International Limited. If you have any questions about the contents of this brochure, please contact us at +44 (0) 207 464 5000.**

**The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

**Threadneedle International Limited is an SEC-registered investment adviser. This registration does not imply a certain level of skill or training. Additional information about Threadneedle International Limited also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Columbia Threadneedle Investments is the global brand of the Columbia and Threadneedle group of companies, which includes Threadneedle International Limited, referred to in this document as TINTL.**

**PURSUANT TO AN EXEMPTION FROM THE UNITED STATES COMMODITY FUTURES TRADING COMMISSION IN CONNECTION WITH ACCOUNTS OF QUALIFIED ELIGIBLE PERSONS, THE BROCHURE IS NOT REQUIRED TO BE, AND HAS NOT BEEN, FILED WITH THE U.S. COMMODITY FUTURES TRADING COMMISSION. THE U.S. COMMODITY FUTURES TRADING COMMISSION DOES NOT PASS UPON THE MERITS OF PARTICIPATING IN A TRADING PROGRAM OR UPON THE ADEQUACY OR ACCURACY OF A COMMODITY TRADING ADVISOR DISCLOSURE. CONSEQUENTLY, THE U.S. COMMODITY FUTURES TRADING COMMISSION HAS NOT REVIEWED OR APPROVED THIS TRADING PROGRAM OR BROCHURE.**

## **MATERIAL CHANGES SUMMARY**

The Threadneedle International Limited Advisory Brochure (Part 2A of Form ADV) (the “Brochure”), dated March 29, 2024, has been updated to reflect important information related to changes in our business practices from our last Brochure dated.

While there have been no material changes to report from the previous amendment, we note that a number of changes occurred to the Group’s key senior management during the period:

- **Resignations:** Nick Ring (EMEA CEO), Julie Griffith (Global Head of Investment Risk), Laura Weatherup (Head of BMO Integration Transition Office), Rod Tedstone (Global COO - Investments)

A copy of our current Brochure may be requested from your client relationship manager, your financial professional, or by calling +44 (0) 207 464 5000. Upon request we will further provide you with a new Brochure at any time, without charge.

Additional information about Threadneedle International Limited is also available via the SEC’s website, [www.adviseinfo.sec.gov](http://www.adviseinfo.sec.gov). The SEC’s website also provides information about any persons affiliated with Threadneedle International Limited who are registered, or are required to be registered, as investment adviser representatives of Threadneedle International Limited.

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## **ADVISORY BUSINESS**

This disclosure document describes investment advisory services offered by Threadneedle International Limited (“TINTL”). TINTL is a subsidiary of TAM UK International Holdings Limited (“UK HoldCo”), an English registered company owned by Ameriprise Financial, Inc. (“Ameriprise”), the ultimate parent company. The UK HoldCo and all its subsidiaries, including TINTL, are referred to herein as “the Group”. All investment management within the Group is performed by either TINTL or Threadneedle Asset Management Limited (“TAML”). The investment management capabilities of TINTL and TAML are integrated, and they share the same staff, systems, infrastructure and controls, as well as portfolio research and analysis.

### **Information about the Threadneedle Investments group of Companies.**

The Group was founded in 1994 and has retained strong links with its former parent company Zurich Financial Services Group, managing a significant number of portfolios on Zurich’s behalf.

In 2003, the Group became the international asset management arm of American Express Company, which then, in 2005, spun off its asset and wealth management business into Ameriprise Financial, a new U.S. publicly listed company. The Group now benefits from the strength of being part of a wide asset management group.

In 2015, the Group along with our U.S. based affiliate, Columbia Management Investment Advisers, LLC, (“CMIA” or “Columbia”) launched a new global brand called Columbia Threadneedle Investments. The new brand combines the capabilities, reach and resources of the Threadneedle and Columbia group of companies, offering clients access to the best of both firms through one single brand, Columbia Threadneedle Investments. On November 8, 2021, the Group’s parent, Ameriprise Financial Inc., completed the acquisition of BMO Financial Group’s (“BMO”) EMEA asset management business. On July 4, 2022, these businesses were renamed and updated to incorporate the Columbia Threadneedle name to become part of the Columbia Threadneedle Investments brand.

In 2021, the most senior company for the Threadneedle group transitioned from the Luxembourg incorporated Threadneedle Asset Management Holdings Sarl (“Sarl”) to the English incorporated TAM UK International Holdings Limited (“UK HoldCo”). UK HoldCo is directly owned by Ameriprise Financial Inc. The Threadneedle group business is consolidated and overseen at the UK HoldCo level.

The Group provides a full range of investment products in equities, fixed income, real estate, infrastructure and alternative investments and has a global product range that uses a wide range of product strategies (UK OEICS, Luxembourg SICAVs, UK Life structures and segregated accounts). Distribution is to a well-diversified base of retail and institutional investors globally.

### **Information about TINTL**

TINTL was incorporated in the United Kingdom in August 1988 and has been a part of the Group since November 1999. The Group acquired TINTL (then called Kemper Investment Management Company Ltd) as a consequence of the creation of Scudder Kemper Investments, Inc. within the Zurich Group.

In addition to being an SEC-registered investment adviser, TINTL is authorised and regulated by the Financial Conduct Authority (FCA) in the UK for the provision of investment management activities, and as such all investment management services, including those provided to U.S. clients, must also comply with the FCA rules.

TINTL is registered as a Commodity Trading Advisor (“CTA”) with the U.S. Commodity Futures Trading Commission (“CFTC”). In addition, TINTL holds an International Adviser Exemption (“IAE”) in Ontario, Canada, and utilizes an instrument of relief for provision of certain financial services to wholesale clients in Australia with the Australian Securities and Investments Commission (“ASIC”). TINTL also has a representative office in Colombia under the supervision of the Colombian SFC.

### General Services of the Group

The Group, headquartered in London, has evolved from an in-house investment manager for an insurance parent to a provider of global investment products to both retail and institutional clients. Growth has been achieved through diversification of products and investment in distribution capability. The Group's product range initially concentrated on the equities market. However, this has expanded to cover all global equity markets, a comprehensive range of fixed income products, including commodities, cash, real estate and an infrastructure offering.

The Group has steadily established a global presence by expanding its distribution network to encompass Europe, North America, Latin America, Asia, Australia and the Middle East and has a presence in 19 countries.

The Group's operating platform underpins a range of products and distribution channels. A significant portion of the operational infrastructure is outsourced and is overseen by a dedicated team based in the Group's UK and Luxembourg offices.

Under the Group's risk management framework, risk control is embedded into the investment process, and overseen by an independent Risk department. The Group also has separate Internal Audit and Legal & Compliance functions that oversee all aspects of its activities.

### Securities Investment Management

The Group's portfolio investment management process is supported by a single shared investment platform, a teamwork-based approach which considers the macroeconomic environment, together with incorporating thematic research and cross border ideas. Formal meetings bring together investment professionals from across asset classes to share the best ideas and knowledge.

Equities are the largest single asset class for the Group with the global offering includes UK, European, U.S., Global, Asia, Japanese and Emerging Market Equities.

The Group's fixed income expertise is provided across the credit spectrum with emerging markets, high yield, governments, investment grade, money markets, commodities and as set backed securities forming the pillars of the fixed income business.

The Group's managed funds form a major component of the securities investment management business based around the asset allocation process. The managed funds utilize market specific expertise in equities, fixed income and property.

### Advisory Services offered by TINTL

TINTL provides discretionary and non-discretionary investment management services (including continuous advice to clients on the investment of portfolios, trading, cash management and record keeping) to U.S. and non-U.S. registered investment companies and other U.S. and non-U.S. institutional client accounts.

In addition to the arrangements described in "Global Asset Management", below, our U.S. clients currently receive discretionary investment advisory services from TINTL through sub-advisory agreements with CMIA. These sub-advisory services previously included TINTL acting as sub-adviser for certain mutual funds operated and managed by CMIA. These arrangements ended on 14 December 2020, although TINTL continues to provide sub-advisory services in respect of a client of CMIA.

U.S. clients are also able to receive investment advisory services from TINTL directly rather than pursuant to this sub-advisory arrangement.

The discretionary advisory services we offer are available to prospective advisory clients. These clients can

negotiate an investment management agreement with us, which incorporates investment restrictions and guidelines developed in consultation with clients. These restrictions and guidelines customarily impose limitations on the types of securities that may be purchased and also generally limit the percentage of account assets that may be invested in certain types of securities. Clients may also choose to restrict investment in specific securities or groups of securities for social, environmental or other reasons. As of December 31, 2023, the amount of client assets managed (reported as Regulatory Assets Under Management) on a discretionary basis was \$358,110,000.

TINTL participates in wrap fee programs commonly referred to as “Model Delivery Programs” in which we provide investment advice to the program sponsor and/or another investment adviser, commonly referred to as an “overlay manager,” who exercises discretion over their client accounts in the program.

#### Global Asset Management

As we seek to enhance our investment capabilities and the support services provided to our clients, we may utilize services from and provide services to some of our U.S. affiliates (“U.S. Advisory Affiliates”) and non-U.S. affiliates (“Non-U.S. Advisory Affiliates”).

For example, we engage certain of our Advisory Affiliates in other countries around the world to provide a variety of services. In addition, we may provide Advisory Affiliates (jointly or in coordination with us) services relating to client relations, investment monitoring, account administration, investment research and discretionary investment management (including portfolio management, trading and risk management) to certain of our clients and accounts managed by those Advisory Affiliates, including certain Funds and separately managed accounts. In addition, our Advisory Affiliates provide similar services to us for accounts we manage. In some circumstances, an Advisory Affiliate may delegate responsibility for providing those services to another Advisory Affiliate. Under personnel-sharing and other arrangements, our personnel may act on behalf of one of our Advisory Affiliates for the purpose of providing some of those services for clients of that Advisory Affiliate, such as funds and/or separately managed accounts, and some of our Advisory Affiliates’ personnel may act on behalf of our clients, including funds and separately managed accounts. Certain of our employees and officers are also officers of certain Advisory Affiliates, and employees and officers of our Advisory Affiliates are also officers of TINTL. To the extent that we engage one or more of our Advisory Affiliates to provide services, we remain responsible for and oversee the services provided by such Advisory Affiliates(s) to or on behalf of our clients.

We believe that harnessing the collective expertise of our firm and our Advisory Affiliates benefits our clients. In this regard, we have certain portfolio management, trading, research, distribution and client servicing teams at both our firm and certain of our Advisory Affiliates (through subadvisory, delegation or other intercompany arrangements) operating jointly to provide a better client experience. These joint teams use expanded and shared capabilities, including the sharing of research and other information by investment personnel (e.g. portfolio managers, analysts and traders) relating to economic perspectives, market analysis and equity and fixed income securities analysis. The joint teams also have expanded capabilities to provide services in various local or regional markets.

To facilitate the collaborative approach noted above, we have entered into subadvisory agreements and “participating affiliate” arrangements with Columbia Management Investment Advisers, LLC (“CMIA”), which is a SEC-registered investment adviser, a CFTC-registered Commodity Pool Operator, a CTA and a wholly-owned investment advisory subsidiary of Ameriprise Financial, Inc. As part of the participating affiliate arrangement, certain employees of TINTL serve as “associated persons” of CMIA when providing certain of these services to CMIA clients, including placing orders for trade execution, and in this capacity, are subject to CMIA’s oversight and supervision.

In addition, TINTL may provide certain investment-related support services to Advisory Affiliates and their clients. These affiliates may also provide certain similar services to other TINTL and its clients. Such support services

include, but are not limited to, traditional “middle office” and utility functions, such as trade processing, valuation, proxy voting administration, and client and regulatory reporting.

#### **Potential Conflicts of Interest**

Except in circumstances where an Advisory Affiliate is performing investment management, trading services, back or middle office services, or legal or compliance support for our accounts or we are providing similar services or support for an Advisory Affiliate’s accounts, we do not otherwise share trade information with our Advisory Affiliates. Similarly, we do not coordinate or allocate trading activities with the accounts of an Advisory Affiliate unless such affiliate is providing trading services for our accounts, or we are providing trading services for the Advisory Affiliate’s accounts. As a result, it is possible that we and our Advisory Affiliates may trade in the same instruments at the same time, in the same or opposite direction or in different sequence. Additionally, in circumstances where trading services are being provided on a coordinated basis for our accounts and the accounts of one or more Advisory Affiliates in accordance with applicable law, it is possible that the allocation opportunities available to our accounts may be decreased, especially for less actively traded securities, or orders may take longer to execute.

As further detailed below under “Methods of Analysis, Investment Strategies and Risk of Loss”, we maintain an internal centralised research function for both equity and fixed-income strategies. Investment research we generate is shared with certain of our Advisory Affiliates at the same time that research is distributed internally. In connection with the sharing of relevant investment research among our Advisory Affiliates, and in providing services described above under, “Global Asset Management”, investment personnel may have access to nonpublic holdings information of clients our and certain of Advisory Affiliates’ clients. Portfolio managers of those Advisory Affiliates may decide to act on such research before our own portfolio managers do. The sharing of this information may also lead us and certain of our Advisory Affiliates to place orders in the same securities at the same or different times, if we and those Advisory Affiliates do not have a collaborative arrangement in place for the relevant client accounts.

We have adopted policies and compliance controls that seek to ensure that our clients are treated fairly and equitably with respect to trading and sharing of information among Advisory Affiliates. More information about how we identify, mitigate and manage conflicts of interest can be found throughout this Brochure, and in particular, under “Our Approach to Conflicts of Interest” and “Other Conflicts of Interest”.

### **FEES AND COMPENSATION**

Fees for private separately managed accounts are generally based on an annual percentage of the value of assets under management as determined by TINTL or an affiliated adviser in good faith.

For U.S. clients sub-advised by TINTL, fees paid by clients are generally set and calculated by CMIA with TINTL receiving a proportion of the fees charged.

#### ***General Fee Policies***

##### **Ability to Negotiate Fees**

TINTL may negotiate and charge different fees for different accounts. For example, TINTL may offer discounted fee schedules to certain clients based on the totality of their (and/or their affiliates’) relationship with TINTL and/or our affiliates. The number of accounts managed, the size or asset level of the account(s), the nature of services rendered, the country of domicile, and any special requirements of the account(s) managed are factors typically taken into consideration in making this determination. For clients with whom we have agreed to give the lowest fee rate charged to any other similarly situated client, all of these factors, including the totality of TINTL’s relationship with a client and/or its affiliates, may be taken into consideration in determining whether a client is similarly situated to another. We may also consider the impact such arrangements could have on agreements that have previously been entered into with other clients. From time to time, we may enter into fixed-fee or minimum fee arrangements with certain clients, such as a situation

where we have decided to waive an account minimum. In addition, we may enter into performance fee arrangements with our clients.

Fees paid by any Private Funds or collective funds for which TINTL may provide services are negotiated on a case-by-case basis with the adviser or the fund and are set forth in the relevant product's offering materials.

### ***Policies and Representative Fee Schedules***

#### **Separately Managed Account Institutional Client Fees**

Representative fee schedules used for separately managed account strategies with institutional clients are provided below. In addition to the fee schedules listed below, there are historical fee schedules in effect that may differ from those applicable to new clients.

Strategies	Fee Schedules
Commodities strategies	0.75% on the first \$100 million
	0.65% on the next \$100 million
	Negotiable over \$200 million

#### **Model Delivery Program Fees**

We participate in a "Model Delivery Program" in which we provide investment advice to the program sponsor, commonly referred to as an "overlay manager," who exercises discretion over client accounts in the program. In these programs, advice is provided through periodically updated model portfolios given to the overlay manager who then exercises discretion in deciding whether and how to implement that advice in a client account that is made up of other model portfolios and/or securities products. In these arrangements, we do not have discretion to carry out the advice contained in the model portfolios nor manage these portfolios. We also do not have an adviser-client relationship with clients participating in these model delivery programs, nor do we have access to the identity of clients or the composition of a client's account.

#### **How fees are recovered**

TINTL bills the client separately for its fees and does not receive fees directly from client accounts pursuant to automatic deduction arrangements.

Under most contractual arrangements, either TINTL or the client may terminate an investment advisory contract upon written notice to the other party (of a specified period) and fees are pro-rated upon termination. Since fees are generally payable in arrears, they are not refundable.

#### **Any other fees or expenses**

Were TINTL to use pooled investment vehicles managed by it or one of its Advisory Affiliates in the portfolios of its clients, it is our usual practice to avoid double charging by not charging a separately managed account level advisory fee on any assets invested in such pooled investment vehicle, however clients may request alternative models. TINTL does not offer custody services.

#### **Fee payments in advance**

Fees are generally payable either monthly or quarterly, in arrears and based on the period average, or period end value of assets under management, as agreed with the client. It is not usually our practice to charge fees in advance.

#### **Remuneration for sale of securities**

TINTL or its associates are not remunerated for the sale of securities. Clients' portfolios will incur transaction charges from brokers on the purchase and sale of investments. Any external research costs that TINTL incurs on behalf of its clients are paid for by the Group.



## Remuneration

Direct compensation is typically comprised of a base salary, a fixed role-based allowance paid monthly alongside salary and an annual incentive award that is paid either in the form of a cash bonus if the size of the award is under a specified threshold or, if the size of the award is over a specified threshold, the award is paid in a combination of a cash bonus, an equity incentive award, and fund-linked deferred compensation compliant with European regulatory requirements in its structure and delivery vehicles. Equity incentive awards are made in the form of Ameriprise Financial restricted stock, or for senior employees outside our fund management teams both Ameriprise Financial restricted stock and stock options. The investment return credited on deferred compensation is based on the performance of specified funds, in most cases including the funds the portfolio manager manages.

Base salary is typically determined based on market data relevant to the employee's position, as well as other factors including internal equity. Base salaries are reviewed annually, and increases are typically given as promotional increases, internal equity adjustments, or market adjustments.

Annual incentive awards and pool funding are variable and are designed to reward:

- Investment performance, both at the individual and team levels
- Client requirements, in particular the alignment with clients through a mandatory deferral into the company's own products, compliant with local regulation in particular the UCITS V requirements
- Team cooperation and values

Individual awards are subject to a comprehensive risk adjustment review process to ensure proper reflection in remuneration of adherence to Threadneedle's controls and Code of Conduct.

Scorecards are used to measure performance of funds and other accounts managed by the employee. Performance is measured versus peer or benchmark performance as appropriate, in addition to performance compared to unaffiliated passively managed ETFs, taking into consideration the management fees of comparable passively managed ETFs, when available and as determined by the Investment Manager. Performance is measured using 1-year, 3-year, and 5-year performance, weighted 10% on the 1-year, 60% on the 3-year, and 30% on the 5-year. Consideration may also be given to performance in managing client assets in sectors and industries assigned to the employee as part of his/her investment team responsibilities, where applicable.

Incentive compensation for senior investment professionals is subject to a minimum 40% deferral as required by local regulation, rising to 60% for higher awards. Half of that deferred portion is delivered in units linked to the performance of Threadneedle funds and remainder through Ameriprise Financial equity plans.

The equity portion of those deferred incentive awards is designed to align participants' interests with those of the shareholders of Ameriprise Financial. Equity incentive awards vest over multiple years, so they help retain employees.

The fund-linked deferred compensation awards are designed to align participants' interests with the investors in the funds and other accounts they manage, and to incentivize collaboration and idea-sharing across teams and products. The value of the deferral account is based on the performance of those funds. Employees have the option of selecting from various internal funds for their fund deferral account; a portion of this deferral is subject to mandatory allocation to Threadneedle's multi-asset funds to drive cross-business idea sharing and alignment. Fund-linked deferrals vest over multiple years, so they help to retain employees and to align their longer-term interests with those of the investor in line with local regulatory best practice.

Exceptions to this general approach to bonuses exist for certain teams and individuals. Funding for the bonus pool is determined by management and overseen by the UK HoldCo Remuneration Committee, and

depends on, among other factors, the levels of compensation generally in the investment management industry taking into account investment performance (based on market compensation data) and both Ameriprise Financial and the asset management business profitability for the year, which is largely determined by assets under management.

For all employees the benefit programs generally are the same and are competitive within the Financial Services Industry. Employees participate in a wide variety of plans, including options in Medical, Health Care, Life Insurance, Long Term Disability Insurance, and retirement savings plans.

### **TYPES OF CLIENTS**

We may provide investment advisory services to the types of clients listed below:

- pension, profit sharing and employee savings funds;
- foundations and endowments;
- corporate clients, including tax-exempt and not-for-profit organizations;
- state, municipal or other governmental entities;
- open-end investment companies registered with the U.S. Securities and Exchange Commission branded as “Columbia Funds” (the “Mutual Funds”);
- Mutual Funds that are used as funding vehicles by separately managed accounts for variable annuity contracts and/or variable life insurance policies issued by our insurance company affiliates and third party, unaffiliated insurance companies;
- certain collective funds maintained by our affiliate Ameriprise Trust Company (“ATC”);
- other collective funds and certain common trust funds;
- various private, pooled investment vehicles (“Private Funds”) organized as limited partnerships, limited liability corporations, non-U.S. entities or other legal forms;
- sponsors of Model Delivery programs and other investment advisers participating in such programs; and
- Ameriprise Financial and its affiliates.

### **Conditions for Managing Accounts**

To receive discretionary investment advisory services TINTL generally require institutional clients to have a minimum account size of \$25,000,000 for equity investment mandates and \$50,000,000 for fixed income investment mandates.

We may impose higher minimums for certain investment mandates. We also reserve the right to waive account minimums in our sole discretion. Factors we take into consideration in making a determination whether to waive an account minimum may include the number of accounts managed for a client, the nature of services rendered, any special requirements of the account(s) managed and the totality of the relationship between us and our affiliates and the client and/or its affiliates. We may also consider a client’s specific needs and circumstances, and a client’s future ability to reach our minimum account size by making supplemental contributions. We may also offer to waive an account minimum based on our capacity to manage assets in a particular strategy. Our ability to waive account minimums may result in similarly situated clients being offered different minimums to establish a separately managed account.

TINTL reserves the right to decline any account. TINTL also reserves the right to resign as investment adviser to any account, in accordance with the terms of the client contract, after initiation of the investment advisory relationship. The assets of all accounts managed by TINTL must be deposited with a custodian or broker dealer acceptable to TINTL.

## **METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### **Methods of Analysis**

The methods of analysis that we employ for Mutual Fund clients are described in the applicable fund prospectus. Methods of analysis that we employ for Private Funds, collective investment funds and alternative investment clients are described in offering materials relating to the product.

The methods of analysis that we employ for institutional clients is consistent with the aforementioned in that they are based on the same core investment philosophy. This is described in more detail below.

TINTL can provide advice on global, international, regional and emerging market portfolios. Depending on the investment strategy selected, TINTL may on behalf of its clients, invest in exchange-listed and over-the-counter ("OTC") instruments (including equities, warrants, options, futures and swaps); debt securities, including corporate, municipal, government and government agency issues; mortgage- and asset-backed securities; rights; convertible debt and equity securities; repurchase and reverse repurchase agreements; mutual fund shares; loans; foreign currencies (on both spot and forward exchange markets); non-deliverable forward currency transactions ("NDF") along with providing advice on the retention or deposit of foreign currency balances pending investment or reinvestment. TINTL may also provide advice regarding privately placed or foreign (non-U.S.) investment vehicles.

Different investment types expose TINTL's clients to different types of risks, and some of these risks may be significant. For example, even with effective due diligence and exposure monitoring controls in place, investors in derivatives and structured investment products can face potentially significant unsecured exposure. These exposures can occur when disorderly market conditions create uncertainty regarding both collateral values and contractual exposures. There is also an interconnection between certain types of risks, and these interconnections can become magnified when multiple factors move against an investment at once, resulting in large and more problematic risk exposure than originally envisioned. TINTL does its best to mitigate these risks, but certain developments are unforeseen, and investors can lose money.

### **Risk of Loss**

Investing in securities and commodities involves risk of loss that clients should be prepared to bear. Each investment strategy is subject to certain specific risks, some are which are material, and others less so. We utilize the investment strategies and methods of analysis to seek to achieve each portfolio's investment objective. The investment decisions we make may not produce the expected returns, may cause the portfolio to lose value or may cause the portfolio to underperform other portfolios with similar investment objectives. There is no assurance that a portfolio's objective will be achieved.

In the table below, we have listed the material risks for each strategy. Other risks that are not material also apply. Please see the Risk Disclosure Appendix that follows for more detailed information about the material risks as they apply to the separately managed account strategies as listed in the chart below and other challenges and risks associated with the investment management industry including strategy- specific risks and regulatory uncertainty.

Material risks that apply to every strategy include issuer risk and market risk.

**Issuer risk** is the risk that an issuer of a security in which a portfolio invests or to which it has exposure may perform poorly or below expectations, and therefore, the value of its securities may decline, which may negatively affect a portfolio's performance. Underperformance of an issuer may be caused by poor management decisions, competitive pressures, breakthroughs in technology, reliance on suppliers, labor problems or shortages, corporate restructurings, fraudulent disclosures, natural disasters, military confrontations, war, terrorism, disease/virus epidemics or other events, conditions or factors.

Market Risk refers to the possibility that the market values of securities or other investments may fall, sometimes rapidly or unpredictably, or fail to rise for various reasons including changes or potential or perceived changes in UK/European, U.S. or other foreign economies, financial markets, interest rates, the liquidity of investments and other factors including terrorism, war, natural disasters and disease/virus epidemics.

The large-scale invasion of Ukraine by Russia in February 2022 has resulted in sanctions and market disruptions, including declines in regional and global stock and commodities markets and significant devaluations of Russian currency. The extent and duration of the military action are impossible to predict but could be significant. Market disruption caused by the Russian military action, and any counter measures or responses thereto (including international sanctions, a downgrade in the country's credit rating, purchasing and financing restrictions, boycotts, tariffs, changes in consumer or purchaser preferences, cyberattacks and espionage) could have a severe adverse impact on regional and/or global securities and commodities markets, including markets for oil and natural gas. These and other related events could have a negative impact on Fund performance and the value of an investment in a Fund.

Investments Strategies	Primary Methods of Analysis	Material Risks
Commodities strategies	<ul style="list-style-type: none"> <li>• Macro-economic analysis using input from, economic research and investment themes</li> <li>• Assessment and view s of individual markets, assessing fundamentals, seasonals, technicals, structure and liquidity.</li> <li>• Portfolio construction through assessment of allocations and weightings, positions on curve and relative value.</li> </ul>	Active Management Risk
		Commodity-Related Investment Risk
		Currency Risk
		Derivatives Risk – Futures Contracts Risk
		ETF Risk
		Geographic Focus Risk
		Global Economic Risk
		Leverage Risk
		Sector Risk

#### Significant Investment Strategies utilized by TINTL

We may employ various investment strategies through our investment mandates and based on the objectives and strategies of the clients involved. Client portfolios with similar investment mandates, strategies and guidelines are generally managed with a consistent approach.

TINTL relies primarily on a dynamic style of investing, which means that it actively seeks to select the investment bias believed to be most effective for the prevailing economic or market conditions, rather than following a value or growth style indefinitely.

We may also borrow securities in connection with short sales, borrow money to invest in additional portfolio securities or engage in transactions in futures contracts for some clients. We may also provide asset allocation services to certain clients, on either a discretionary or non-discretionary basis, with periodic rebalancing.

In employing investment strategies, we may use certain hedging strategies in an attempt to “hedge” or “neutralize” various risks associated with positions in a client’s portfolio. The instruments used to engage in these hedging strategies include various derivative instruments, such as options, warrants, interest rate swaps, interest rate caps and other derivative securities. Our attempts to hedge a portfolio partially or fully may not be successful and may cause the portfolio to incur a loss.

### Investment philosophy

At TINTL, we are intentionally designed to help clients succeed. We equip our investment professionals with the resources, tools, and insights they need to achieve or surpass – the outcomes our clients expect. Our commitment to consistent client success is underpinned by our distinctly different investment approach, which comprises four pillars:

- Global perspectives: From meeting companies on the ground and around the world, to gaining an understanding of the economic, social, and political trends that shape our future, the continuous exchange of insights across asset classes and sectors is ingrained in our process. These insights are debated by analysts and portfolio managers around the globe to ensure every perspective is considered.
- Research intensity: Our team of proprietary analysts and research associates is dedicated to original,
  - independent research. Working collaboratively across all major asset classes our teams utilize big data and analytics, such as machine learning and augmented intelligence, to turn information into forward-looking insights that add real value to investment decisions, enabling consistent and replicable outcomes for our clients.
- Responsible Investment: Well-managed companies that look to the future are better positioned to navigate the risks and challenges inherent in business and achieve sustainable performance and long-term value creation. Responsible Investment (RI) principles are an important factor, and we have developed proprietary tools that
  - provide a robust RI framework and better analysis for portfolio managers to enhance their decision-making.
- Continuous improvement: Across our global business, our Investment Consultancy & Oversight team uses a '5P' approach to ensure the integrity of an investment strategy. The team engages with our portfolio managers – reviewing their performance, discussing their decision-making, and analyzing their processes, all to ensure we remain faithful to our clients' objectives and identify opportunities to continually improve. This process is tangible evidence of our commitment to accountability.

### Investment Process

TINTL puts this into practice through the following process.

The starting point is the formal series of weekly and monthly meetings we have to discuss the macroeconomic backdrop, the valuation of asset classes and the current house asset allocation stance. We collectively come together to determine how we see the investment landscape from a macro and valuation perspective. This then drives further the debate on the resultant themes arising from the conclusions of these meetings. We seek to understand how these themes will influence markets and asset and securities behaviour. This then sets the agenda for our specialist teams and points us in the direction of alpha generating ideas.

### Responsible Investment

Columbia Threadneedle Investments, as a global integrated firm, has a significant commitment to responsible investment and is a signatory to the United Nations backed Principles for Responsible Investment ("PRI"), which is based on six principles looking to address environmental, social and governance ("ESG") factors. In 2023, we consolidated PRI reporting into one submission for Columbia Threadneedle Investments as a global organisation, eliminating separate submissions for parts of the firm.

The analysis of ESG factors is incorporated into TINTL's investments process to help identify potential, material associated risks and opportunities. Different asset classes and strategies have different levels of ESG integration. Responsible Investment ("RI") research has a strong focus on equities with substantial involvement in fixed income and to some extent in commodities.

There are some differences of ESG integration based on asset class given risk exposures, liquidity of

instruments and the length of time we may be invested. We also take account of geographic variations. We recognise that ESG standards, the level of investor engagement, and responsiveness to thematic ESG factors may be influenced by the country or region the issuer operates in. The scope of the approach also differs between, for example, mainstream strategies and dedicated responsible investment strategies, depending on client objectives and values.

TINTL's process follows a model of idea generation, research, and debate towards implementation. ESG research is integrated into key stages of the investment process, as part of the analysis of long-term, quality investments and is generally a key element of research and debate. The monitoring of regional focus lists and regular involvement in team discussions helps to identify the most appropriate areas of prioritization, focus and research.

The firm maintains an internal centralized ESG research function. While we believe that evaluating ESG research and analysis enables portfolio managers to make better informed investment decisions, individuals and teams make their own investment decisions. The strategy ensures substantial dialogue between the RI specialists and our portfolio managers and analysts and contributes to the understanding of risk and opportunities on a stock, sector, and theme. This process of dialogue furthers the wider understanding of ESG factors and their relevance. Main areas of input include internal meetings, stock reviews, themes and sector reviews, company meetings, weekly and ad-hoc updates. In addition, and where appropriate, relevant portfolio managers participate in ESG related meetings, enhancing their understanding and appreciation of risks and opportunities, while the RI team participates in mainstream meetings.

We have a risk-based approach and pay particular attention and, where practical, enter into dialogue with those companies on issues where we can have the greatest impact and see the highest correlation to investor value. As fragmented ownership reduces our level of influence, we will consider working collaboratively with other investors through the PRI and other similar networks to engage on a wide range of issues. Furthermore, we look to vote our shares globally, in the long-term interest of our clients.

#### Columbia Threadneedle Investments Equity Investment Process

The equity process operates in a series of regionally focused portfolio management teams, with great emphasis been placed on the relationships that are built across these teams in order to ensure that the best investment ideas are actively being shared and discussed.

The four-stage process has the key stages set out below:

- Opportunity set & idea generation
- Company research
- Portfolio construction
- Risk management

#### ***Opportunity set & idea Generation***

Columbia Threadneedle Investments concentrates on distilling the significant amount of data available to us into information that creates value added within its research process. Idea generation is a broad process with several inputs all of which serve to achieve the conditions in which investment ideas are generated. Broadly speaking, Columbia Threadneedle Investments implements a bottom-up approach, with investment decisions based on the attractiveness of a company rather than a view on a sector or region. However, macro insights inform decisions taken at a company level.

The inputs to ideas generation are:

#### **a) Company Meetings (bottom-up)**

Columbia Threadneedle Investments has a strong preference for primary sources of information. Each year, across our equity teams, the firm's analysts and portfolio managers have historically coordinated

over 3,000 company meetings (both on and off-site, both owned and not owned). Meetings help TINTL to understand a company's business model and its prospects, to identify the most appropriate valuation metric and to broaden its understanding of the market environment in which the company is operating. They also provide insight to competitors, suppliers, other companies, and the wider industry.

#### **b) Global Sector Meetings**

Global sector teams meet to review sector trends, identify investment opportunities, and sector strategy. The ideas from their meetings are then used by regional portfolio management teams in their stock selection and portfolio construction process.

#### **c) Macro Economics and Themes (top-down)**

The macroeconomic and themes framework is generated and debated through the three key monthly meetings. The insights gained from this work can highlight those areas of the market that are likely to be a good source of stock opportunities. It also provides a background for stock assessment which helps prioritize the research agenda and the understanding of potential macro risks in the portfolios.

### ***Company Research***

TINTL's stock analysis focuses on the fundamentals of a company, with a preference for proprietary sources of research such as meeting company management and interpreting company accounts. The research framework comprises an understanding of the competitive advantage of a company, the industry within which it operates and the ESG profile of the company. Central to this is developing a thorough understanding of the company's business model and making observations of the drivers of growth as well as in-depth discussions with management. TINTL supplements this analysis with a thorough knowledge of external research on the company, which helps the analysis provide a range of views on the stock, as well as identifying market consensus. The regional portfolio management teams also work alongside the responsible investment team to gain insight into the ESG profile of companies, to build an understanding of both the associated risks and potential opportunity.

This helps the generation of high conviction ideas.

### ***Portfolio Construction***

Within the global framework, regional portfolio management teams define their own strategy guidelines and implement investment decisions accordingly. Portfolio managers build portfolios from the bottom-up stock picks of the team and with reference to their team strategy and subject to risk. Portfolio concentration, position size and thematic biases are all considered.

### ***Risk Management***

The risk tolerance of individual portfolios is defined by the investment team in conjunction with the independent risk management function. The portfolio construction process has risk control embedded in it and the risk characteristics of a portfolio are readily available to portfolio managers as they review portfolios and consider investment opportunities.

### **Fixed Income Investment Process**

TINTL believes that interaction among its Fixed Income specialists is vital for successful portfolio management. An integrated investment approach ensures that the best ideas are expressed in the portfolios. This is particularly true for those portfolios that can invest across the entire spectrum. While the investment process is team-based, it does also enable portfolio managers to exercise their own skill and flair. This ensures that specialist portfolios benefit from their specialist managers' expertise.

TINTL believes that Fixed Income markets are driven by fundamental, structural and valuation factors. Analysis of these factors drives the asset allocation approach for the Fixed Income teams. Each of the Fixed Income teams looks at their specialist market under these broad headings, but emphasis among these factors varies between the teams with the nature of each market and with the investment and

economic cycle.

**Fundamental:** The fundamental macro-economic and broad market outlook is a major input to TINTL's approach, not only for government bond and currency markets, but for all markets. TINTL does not believe that any credit, be it Investment Grade or High Yield, or any government risk, developed or emerging, can be considered in isolation without due regard to the global and local macroeconomic outlook. Understanding company fundamentals, including strategic and business as well as financial factors, are equally important. For credit positions, the team will consider industry outlook, relative competitive position, management strategy and historic and expected financial performance of the bond issuer. Event risk is also important and is considered separately in the relevant process.

**Structural:** Studies of structural issues can be just as powerful generators of performance as analysis of fundamental factors. TINTL will consider major market participant actions and intentions at the Fixed Income asset class. It also considers the market segment (industry, maturity band, credit rating), individual issuer and bond level and also liquidity and trading costs. Within this TINTL also include technical factors from analysis of long and short-term charts of securities and indices that can help set attractive entry and exit points for positions and provide trade ideas. For currency and interest rate markets, the technical aspects are considered to be sufficiently important to require separate evaluation.

**Valuation:** TINTL assesses valuation alongside fundamental and structural factors in making investment decisions. Again, this assessment takes place at the Fixed Income asset class, the market segment (industry, maturity band, credit rating), and the individual issuer yield curve and at the bond level. Valuation views are formed from both an absolute and relative perspective and will be cognizant of price or value volatility in reaching conclusions. TINTL aims to identify the best potential sources of added value and to position portfolios accordingly, whilst carefully managing risk within client constraints. TINTL rejects the hierarchical approach to Fixed Income portfolio management, which allocates rigid risk budgets to individual sources of investment return. Rather, the investment philosophy is focused on change by seeking to add incremental return by allocating active risk to wherever the research process identifies the best sources of performance. Experience has shown that a flexible and multi-disciplined approach has proved essential for clients' mandates.

At any given time, TINTL's assessment of the drivers of Fixed Income markets may show opportunity in one (or more) of the following alpha sources:

**Asset allocation:** Incremental performance over the benchmark earned through an active weighting in the Fixed Income asset classes forming part of a portfolio's permissible investments or benchmark. This includes off-benchmark investment (where permitted) and also the weighting between cash and securities.

**Duration:** Incremental performance over the benchmark from positioning the portfolio's overall exposure to interest rates relative to its benchmark.

**Yield curve.** Incremental performance earned from over and under-weighting of the portfolio along the maturity spectrum relative to its benchmark.

**Currency:** Incremental performance derived from taking positions in currencies other than the benchmark currency (where permitted) or through positioning the portfolio's exposure to exchange rates in a different way from the composition of the benchmark.

**Sector allocation:** Incremental performance derived from over and under-weighting of the portfolio's position by corporate/industrial sectors. This is another way of altering the sensitivity of the portfolio's performance to economic conditions.

**Credit quality mix:** Incremental performance from altering the portfolio's credit quality mix versus its



benchmark by over and under-weighting the portfolio's position by credit rating category.

**Issuer-specific bond selection:** Performance gained from holding an active weight in an issuer or a specific bond where Threadneedle's investment process has highlighted an opportunity.

The importance of each of these alpha sources to client portfolios will vary in importance with each client's investment objectives and mandate restrictions. Furthermore, at any given time, more opportunity may exist in one (or more) of these areas than in others and active portfolio risk is allocated accordingly, within the constraints agreed with each client and each portfolio's investment goals. The importance of each source of alpha will also vary by fixed income asset class, with macro factors (e.g., duration, curve) having more importance for government bond and investment grade portfolios, and micro factors (e.g., stock selection) being greater drivers of importance for those asset classes that invest lower down the rating spectrum. TINTL's investment process is team driven. In a series of structured meetings, the expertise of the relevant portfolio managers and analysts are drawn upon to evolve a team view of the investment opportunities. TINTL's fixed income investment process comprises:

- Fundamental macro-economic analysis, together with structural and valuation analysis on interest rates and government bonds primarily sourced from the Government Bond and Currency Team. This drives the duration, curve and currency views and sets the backdrop from asset allocation and the top-down input into views on credit markets and individual credits.
- Asset allocation input from the Fixed Income Asset Allocation meeting formulates views on the relative attractiveness of each Fixed Income asset class using fundamental, structural and valuation drivers.
- Desk specific factors. For example, the Investment Grade Desk use a positioning strategy for investing in corporate credit at the sector and credit rating level backed by investment analysis on the credit markets and individual credits and bonds.

Taken together these inputs provide the strategy for investing with views on each of the seven alpha sources. The portfolio construction process ensures and reviews the consistency and appropriateness of expression of these views in client portfolios in the context of each client's individual performance objectives and risk constraints. The Mandate Compliance team monitors adherence to client mandate constraints and the Investment Risk Team monitors internal risk guidelines.

#### Portfolio commonality

Portfolio managers hold regular meetings to formally review the portfolios' positions against each element of portfolio strategy and between portfolios. Portfolios with common objectives are expected to have a high degree of commonality and this is confirmed both by comparing positions and also through reviewing cross tracking error from risk reports.

#### Teamwork and decision making

All significant aspects of portfolio positioning are discussed within the team. This ensures that we benefit from the differing strengths and perspectives of the various members of the team. In all the meetings and discussions, a culture of open debate and challenge is actively encouraged; however, the ultimate responsibility for portfolio decisions rests with the portfolio manager.

## **DISCIPLINARY INFORMATION**

Ameriprise Financial and certain of its affiliates, including us, have been involved in legal, arbitration and/or regulatory matters concerning their respective business activities. These matters include routine litigation, class actions, and regulatory or governmental agency examinations and investigations. As a matter of policy, we do not typically provide copies of letters or responses stemming from regulatory or governmental examinations or investigations, or publish information relating to ongoing exams, investigations, or litigation. However, upon request of a prospective or current client, we may communicate the results of completed exams, investigations or litigation or the status of ongoing matters.

To the best of our knowledge, neither we nor Ameriprise Financial, nor any of our affiliates, is currently the subject of any pending legal, arbitration, regulatory or other governmental matters that are likely to have a material adverse effect on Ameriprise Financial's financial condition or our ability to meet our contractual commitments to clients. Ameriprise Financial is required to make 10Q, 10-K and, as necessary, 8-K filings with the Securities and Exchange Commission on legal and regulatory matters that relate to Ameriprise Financial and its affiliates. Copies of these filings may be obtained by accessing the SEC website at [www.sec.gov](http://www.sec.gov).

## **OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

TINTL is authorised and regulated by the Financial Conduct Authority (FCA) in the UK for the provision of investment management activities to Institutional clients. Further details may be found here:

[https://register.fca.org.uk/ShPo\\_FirmDetailsPage?id=001b000000MfFdMAAV](https://register.fca.org.uk/ShPo_FirmDetailsPage?id=001b000000MfFdMAAV)

TINTL utilizes an instrument of relief for provision of certain financial services to wholesale clients in Australia with the Australian Securities and Investments Commission ("ASIC").

TINTL is registered as a Commodity Trading Advisor ("CTA") with the U.S. Commodity Futures Trading Commission ("CFTC"). A Management Person is registered as an Associated Person with the CFTC.

In addition, TINTL holds an International Adviser Exemption ("IAE") in Canada, in Ontario.

TINTL also has a representative office in Colombia under the supervision of the Colombian SFC.

Neither TINTL nor any of its Management Persons are registered or have an application pending to register as a Futures Commission Merchant or Commodity Pool Operator or an associated person of the foregoing entities.

### ***Directors and Executive Officers***

The following is the education and business background of our Directors and Executive Officers, who may also be officers or directors of Ameriprise Financial or its other subsidiaries, including the Threadneedle group of companies.

### ***Threadneedle International Limited (TINTL) Executive Directors***

#### **Richard Watts**

Richard Watts is Chief Investment Officer, EMEA at Columbia Threadneedle Investments and a director of TINTL and TAML. He joined the company in November 2021 following the acquisition of BMO's EMEA asset management business. Richard is responsible for overseeing Columbia Threadneedle's investment function in the region, building on our strong established approach and capabilities. Previously, Richard was Chief Investment Officer of the then named BMO Global Asset Management (BMO GAM). During his 16 years

with BMO GAM and predecessor firms, he held a range of senior roles including co-Head of Investment for BMO GAM EMEA, Head of Fixed Income, Head of Investment Solutions and Head of Liability Driven Investment. Prior to this Richard worked for eight years at Investment Bank JP Morgan where he worked in the interest rate derivatives business both in London and New York. He has worked in the financial services industry since 1997. Richard holds a Ph.D. in Physics from the University of Exeter.

### **Michaela Jackson**

Michaela Jackson joined the company in 2021 as Head of Distribution for Europe, Middle East, and Africa responsible for our client business as well as driving our commercial growth across all products and client segments in EMEA. She is also jointly responsible for Marketing across the region. Michaela has nearly 20 years' experience in the asset management industry, including 16 years at BlackRock across a variety of roles most recently as Deputy COO for their Client Businesses. Prior to this she was Head of EMEA Retail Solutions & Partnerships. In addition, she has held a broad range of sales roles across the client spectrum including Head of Nordic Wholesale, based in Copenhagen, Senior Sales Director Nordic Institutional and Business Development Officer for iShares ETFs in UK & Switzerland. Prior to this she was Marketing Manager for E-Crossnet Ltd. Michaela holds a MA (Hons) in Politics, Philosophy and Economics (PPE) from Brasenose College, Oxford University.

### ***TAM UK International Holdings Limited ("UK HoldCo") Executive Directors***

The Group's principal governing body is TAM UK International Holdings Limited ("UK HoldCo"), an English incorporated company. UK HoldCo has overall accountability for the Group. It delegates responsibility for non-strategic matters to David Logan, Head of EMEA and Global Chief Operating Officer.

The following are directors of the UK HoldCo

### **Ann Roughead**

Ann is a non-executive director of UK HoldCo and several of the Group companies. Ann has over 30 years' financial services experience, holding a number of senior asset management roles including CEO at Liverpool Victoria Asset Management and COO at Citigroup Private Bank, as well as senior investments and product development positions at, Citigroup, JP Morgan Fleming Asset Management and WestLB Asset Management. She has also extensive experience of the corporate finance sector, working at RMD Corporate Finance, Peregrine Securities and Baring Brothers between 1994 and 1998. Prior to this, she worked as a banking lawyer for Standard Chartered Merchant Bank & Hill Samuel between 1985 and 1994 and as a litigator from 1981- 1985. Since 2012, Ann has worked as a freelance consultant for a number of clients including BNP Paribas and the Tax Incentive & Savings Association. She is a qualified solicitor and is a Member of the Law Society and a Fellow of the Institute of Legal Executives.

### **Charles Benedict Porter**

Charles Benedict Porter is a non-executive director of UK HoldCo. He founded Nevsky Capital LLP and Thames River Capital LLP. Mr. Porter is on the board of BMO Investments III (Ireland) plc, BMO Asset Management (Holdings) Plc, Cazenove Capital Holdings Ltd and Berkeley Square Consulting Ltd. He previously held the position of Chairman at Global Diversified Infrastructure Plc, Chief Executive Officer at Nevsky Capital LLP and Chief Executive Officer for Thames River Capital LLP.

### **Claude Kremer**

Claude is a non-executive director of UK HoldCo. His whole professional career has been devoted to the global fund and asset management industry advising clients on the setting up of Luxembourg investment and pension funds and providing legal support to asset managers, depositaries and other asset servicers with regard to the structuring and development of their businesses in Luxembourg. A member of the Luxembourg

Bar since 1982, Claude holds master's degrees in law and history from the Université Pierre Mendès France de Grenoble (France) and a master's degree in accounting and finance from the London School of Economics and Political Science (U.K.). From June 2011 until June 2013, Claude served as president of the European Fund and Asset Management Association (EFAMA). From May 2007 until June 2011, he was chairman of the Association of the Luxembourg Fund Industry (ALFI). In 2005, he was a member of the EU Commission expert group on market efficiency. Claude is also a member of several advisory committees to the Commission for the Supervision of the Luxembourg Financial Sector (CSSF). Claude Kremer is a founding partner of Arendt & Medernach and head of the firm's investment management business unit.

### **David Logan**

David Logan is Head of EMEA and Global Business Operations at Columbia Threadneedle Investments. In this role, he co-ordinates and has general oversight of EMEA activities, including serving as business lead for regulatory engagement. He also sets and drives regional priorities in collaboration with Columbia Threadneedle's Global Executive Group and regional staff function heads. He joined the company in November 2021 following the acquisition of BMO's EMEA asset management business.

Previously, David was Global Chief Operating Officer at Columbia Threadneedle Investments, responsible for ensuring operational teams and processes consistently deliver within the context of our business, risk management and client service goals. Prior to this, David worked as Head of Distribution for BMO Global Asset Management. He was appointed to this role in 2016, having been Chief Operating Officer of BMO GAM in EMEA since 2014. David was made Chief Financial Officer of F&C Asset Management plc in 2006 and was instrumental in the company's acquisition by BMO Financial Group, and subsequent integration. David spent 12 years prior in the accounting profession, including four years as a partner at Deloitte & Touche LLP and three years as a partner at Andersen. He has worked in the financial services industry since 1994. David holds a BA in Accounting and Economics and is a member of the Institute of Chartered Accountants in Scotland.

### **Frédéric Mouchel**

Fred is Non-Executive Director of UK HoldCo and is an Advisor in the financial industry with international boardroom experience in regulated banks. He has a vast amount of experience in wholesale banking with a 32-year international career at JPMorgan Chase, in a variety of general management and line of business senior leadership roles in the EMEA region with ten years of proven experience as a director of regulated banks and financial companies (including chair) in four different European countries (UK, Ireland Germany and Luxembourg). Fred has a proven track record to drive significant changes and growth in treasury, repo & securities financing, wholesale payments, finance, and risk management functions as well as in a general management capacity with broad and diverse experience in managing relationship with US, UK, and EU public bodies

### **Kath Cates**

Kath Cates is a non-executive director of UK HoldCo and several of the Group companies. Kath holds a First-Class Honors degree in Jurisprudence from Oxford University and qualified as a Solicitor in England in Wales before specializing in financial services. Her most recent executive role was Global Chief Operating Officer for Standard Chartered Bank, a position based in Singapore which she held until 2013. In this role she led the Risk, IT, Operations, Legal and Compliance, Human Resources, Strategy, Corporate Affairs, Brand and Marketing functions across 60 countries. Prior to joining Standard Chartered Bank, Ms. Cates spent over 20 years at UBS, most recently in the Zurich-based role of Global Head of Compliance. For the previous 10 years she was based in Hong Kong, as APAC General Counsel and then as Regional Operating Officer. She is a Non-Executive Director of RSA Insurance Group Plc, where she Chairs the Board Risk Committee and is a member of the Group's Audit Committee and the Remuneration Committee. In addition, she is a Non-Executive Director of Brewin Dolphin, where she chairs the Board Risk Committee and is a member of the Group Audit Committee.

### **William Davies**

William Davies is Global Chief Investment Officer at Columbia Threadneedle Investments and was a director of several of the Group companies, including TINTL and TAML prior to resigning from these boards on the 22 March 2023. William remains a director of the UK HoldCo. He was previously the Chief Investment Officer for EMEA, a role he performed since 2019 until January 2022, with responsibility for the investment performance for all EMEA investment strategies. William joined Threadneedle Investments as a European Equities portfolio manager at the company's inception in 1994. He became Head of European Equities in 1999 and Head of Global Equities in 2011. In 2016, William became Head of Equities, EMEA and in 2017 he became Global Head of Equities, assuming responsibility for the company's equity teams across all regions. William performed this role until October 2021. Before this William worked for Eagle Star Investments, who became part of TAML in May 1994. He has also worked for Hambros Bank as a European Investment Manager where he led the European equity team. William holds a BA (Hons) in Economics from Exeter University.

### **Walter Berman**

Walter is the Executive Vice President and Chief Financial Officer of Ameriprise Financial. He joined American Express, the former parent company of Ameriprise Financial, in 1965 and served until 1996 in various positions, including senior vice president and treasurer of American Express Travel Related Services (TRS), chief financial officer of American Express International, chief financial officer of TRS and American Express treasurer. He left the company in 1996 and held senior financial positions at other major companies, including treasurer of IBM. He returned to the company in 2001. Walter earned a degree in accounting from Brooklyn College.

### **William F. “Ted” Truscott**

Mr. Truscott is the Chief Executive Officer – Global Asset Management of Ameriprise Financial and President, Chief Executive Officer and Chairman of the Board of CMID. Mr. Truscott was a Director of the Columbia Funds from 2001 through 2021 and was CMIA's Chief Investment Officer from 2002 to 2010. Mr. Truscott joined the Ameriprise Financial organization in 2001. Prior to that, Mr. Truscott had served as Chief Investment Officer with Zurich Scudder Investments, Americas, from October 2000 through August 2001 and Managing Director of Zurich Scudder Investments from January 1996 through October 2000. He received a B.A. degree in East Asian Studies from Middlebury College and an M.B.A. degree from New York University and holds one or more securities licenses.

### **William H Turner**

William is a Non-Executive Director of UK HoldCo. William is Chairman of International College and a senior advisor with Opera Solutions, LLC. Previously, he was the dean of Montclair State University, the founding dean of the College of Business at Stony Brook University, and a senior partner at Summus Limited. Prior to these roles, he was president and chief executive officer of PNC Bank, New Jersey (1997 – 2000) and chairman of PNC Bank, N.A., New Jersey and Northeast Region (2000 – 2002). Before joining PNC, he was president and co -chief executive officer at Franklin Electronic Publishers, Inc. and vice chairman of Chemical Banking Corporation, which merged with The Chase Manhattan Corporation in 1995. He is currently a member of the boards of directors of FineMark Holdings Inc., Standard Motor Products, Inc. and Volt Information Sciences, Inc.

### ***The Group's key senior management***

In addition to the above-mentioned executive directors, the other key senior managers who are members of the Group's decision-making forums are:

### **Darrel Buckley**

Darrel Buckley joined the Group in 2011 and is the Chief Compliance Officer for TINTL and Head of Compliance, EMEA. He is responsible for ensuring that business policies, procedures and controls are compliant with UK and other EMEA regulatory requirements. He has specific responsibilities for the compliance

advisory, regulatory change, compliance monitoring & reporting functions and Financial Crime including mandate compliance monitoring and trade surveillance and Financial Crime.

Darrel joined the company from Liverpool Victoria Asset Management, where he was Head of Operational Risk. His background includes both senior compliance and operational risk roles and he has previously worked for JPMorgan Asset Management, Framlington Group and Barclays Bank. Darrel has also worked for the UK Financial Services Authority in asset management supervision and for its predecessor, the Securities & Investments Board, in its collective investment scheme policy team. Darrel holds an MBA in International Management of Financial Services and a BSc (Hons) in Biology.

#### **Angela Ghouse**

Angela Ghouse has accepted the role of Regional Head of HR for EMEA, reporting to Kelli Hunter Petruzillo as a member of the HR Leadership Team. Angela will lead all HR functions within the region and oversee risk management for the HR team in EMEA. In addition, and subject to regulatory approval, Angela will have Senior Management Function responsibilities under the Senior Managers & Certification Regime (SMCR). In this capacity, she will serve as a member of the CTI EMEA Business Management Committee (BMC), CTI EMEA Risk & Compliance Committee (RCC), EMEA Heads Group, and the CTI Global Heads Group (GHG). She will partner closely with the HRLT and the EMEA leadership team to ensure consistency and alignment with our global strategy.

#### **Joseph Vullo**

Joseph Vullo is Head of UK Real Estate at Columbia Threadneedle Investments. He took up this role in October 2020 and is responsible for investment performance and shaping the strategy for the UK Real Estate business. He joined the company as an Asset Manager in 2000, becoming Head of Asset Management in 2008 and a member of the Property Business Management team in 2010. Before joining the company, Joseph worked in private practice for Drivers Jonas advising a mixture of private investors and property companies. Joseph holds a diploma in Estate Management from the College of Estate Management, Reading, and is a member of the Royal Institute of Chartered Surveyors.

#### **Neil Babbage**

Neil Babbage joined the company in 2016 and is Head of Technology, EMEA / APAC, and Global Head of Middle / Back Office IT. In this role he has overall responsibility for all IT services including front and middle office, sales and distribution and external IT providers. Prior to this Neil was EMEA Head of Asset Servicing Technology for Bank of New York Mellon between 2011 and 2016 where he was responsible for the full range of technology supporting the asset servicing business. In addition, he was the IT leader accountable for a number of large-scale transformation programmes. Before BNY Mellon, Neil spent nine years at JPMorgan in a range of leadership positions including Chief Business Technologist for the distribution arm of the asset management business where he had responsibility for the client reporting, performance attribution, digital and data warehousing groups. Prior to this Neil worked in IT roles in the financial services industry including with M&G, Barclays, and Royal Bank of Scotland. He holds an MSc in Computing for Commerce and Industry from the Open University.

#### **Multiple Roles Played by Certain Officers and Employees**

Some of TINTL's, or TINTL's affiliates, officers and employees are also officers or employees of TINTL's parent company or one or more other affiliates that directly or indirectly benefit from TINTL's client relationships or advisory activities. In these circumstances, a conflict of interest exists between the obligations to TINTL's clients and the incentive to make recommendations, or take actions, that benefit one or more of its other affiliates. We believe these potential conflicts are mitigated because our employees are subject to a Code of Ethics and various policies that require these employees to act in the best interests of our clients and to put the needs of our clients first at all times.

#### **Business Activities and Affiliations**

As part of the Ameriprise Financial organization, we receive general corporate services, including administrative support, equipment, and facilities from Ameriprise Financial and certain of its wholly - owned subsidiaries, some of which are domiciled in foreign jurisdictions. For example, Ameriprise Financial Inc. assists us in meeting various U.S. regulatory requirements. Certain employees may also receive certain employee benefits from Ameriprise Financial.

TINTL and its affiliates may also invest the assets of the client accounts we respectively manage in publicly traded securities issued by companies that have material relationships with TINTL or an affiliate. In such circumstances the potential for a conflict of interest exists between TINTL's obligation to seek the most suitable investments for its clients and the perception that TINTL has an incentive to assist in developing the partnership or the success of its affiliate. In addition, TINTL or its affiliates may have business arrangements with a third party that may influence TINTL's decision to retain that third party to assist in providing services to its clients. In these situations, TINTL considers its obligations to its clients and seeks to take action that is in the best interest of its clients. We mitigate this conflict because our employees and those of our affiliates are subject to a Code of Ethics and various policies that require these employees to act in the best interests of our clients and to put the needs of our clients first at all times.

As described below and in "Global Asset Management", above, many of our affiliates engage in activities that are material to our advisory business or to our clients. We may be incentivized to utilize, suggest, or recommend the services of these affiliated entities, which benefit the affiliated entity or put the affiliated entity's interests ahead of our clients' needs. Our employees are subject to a Code of Ethics and various policies that require our employees to act in the best interests of our clients and to put the needs of our clients first at all times.

#### Broker-Dealers

TINTL is affiliated with Columbia Management Investment Distributions Inc., an SEC registered broker - dealer that serves as the principal underwriter and distributor of the Mutual Funds. Columbia Management Investment Distributors also serves as a placement agent or distributor of private and foreign funds managed by CMIA.

TINTL is also affiliated with Ameriprise Financial Services, LLC. ("AFS"), an SEC-registered broker- dealer and investment adviser that is a wholly owned subsidiary of Ameriprise Financial. Other third- party broker dealers and AFS distribute the Mutual Funds sub-advised by TINTL.

TINTL does not execute any transactions for its clients through affiliated broker-dealers.

#### Other Investment Advisers and Municipal Advisors

TINTL is a sister company of Threadneedle Asset Management Limited ("TAML"), an investment adviser registered with the FCA. TINTL and TAML share all of their portfolio management and portfolio research and analysis. TINTL also shares its trading personnel with TAML. The above companies are subsidiaries of TAM UK International Holdings Limited ("UK HoldCo"), an English registered company owned by Ameriprise Financial, Inc.

Additionally, TINTL is affiliated with CMIA, Columbia Wanger Asset Management, LLC, Columbia Cent CLO Advisers, LLC and Lionstone Partners, LLC, each SEC registered investment advisers, and AFS an SEC registered investment adviser and municipal advisor, all subsidiaries of Ameriprise Financial.

Additionally, TINTL is affiliated Columbia Threadneedle Management Limited ("CTML"), Columbia Threadneedle Netherlands B.V. ("CTNBV"), Columbia Threadneedle Investment Business Limited ("CTIBL"), Columbia Threadneedle (EM) Investments Limited ("CTIL") and Pyrford International Ltd ("Pyrford") who are Non-U.S. Advisory Affiliates of TINTL. Each is registered with the appropriate respective regulators in their home jurisdictions. In addition, CTML, CTAMA, CTIL and Pyrford are also registered with the SEC as investment advisers. All are subsidiaries of Ameriprise Financial.

TINTL is also affiliated with

- Threadneedle Investment Services Limited (“TISL”) is the manager of the Group’s range of UK-based collective investment schemes.
- Threadneedle Portfolio Services Limited (“TPSL”) provides tax efficient collective investment schemes wrappers for UK investors.
- Threadneedle Property Investments Limited (“TPIL”) provides property risk management services and acts as the intermediate holdings company for a number of limited liability companies which acts as general partners in the property limited partnership.
- Threadneedle Investments (Channel Islands) Limited, manager of Jersey-based alternative investment schemes.
- Threadneedle Portfolio Services AG (“TPSAG”) provides TAML’s DPM marketing services in Switzerland.
- Threadneedle Management Luxembourg SA (“TMLSA”), an investment management company regulated by the Commission de Surveillance du Secteur Financier in Grand Duchy of Luxembourg.
- Columbia Threadneedle Investments (ME) Limited (“CTIME”) which is registered to advise on financial products and arrange deals in investments in the Dubai International Financial Centre.
- Threadneedle Investments Singapore (Pte.) Limited (“TIS”), which is an indirect, wholly owned subsidiary of Ameriprise Financial, holds a capital markets services license for fund management under the Securities and Futures Act, Chapter 289 of Singapore (SFA) as well as a securities dealing license under the SFA. Pursuant to an arrangement that has been approved by the Monetary Authority of Singapore, TAML is permitted to provide fund management (discretionary investment management) services to accredited, expert and institutional clients in Singapore in accordance with the terms of the approval, and TIS is permitted to market such services on TAML’s behalf. Pursuant to its securities dealing license, TIS is also permitted to provide trading services to accounts for which it is not providing discretionary investment management services, including our accounts.
- Threadneedle Portfolio Services Hong Kong Limited (“TPSHKL”) provides for payment of compensation to employees for the referral of clients.
- Columbia Threadneedle Investments Japan Company Limited has an Investment Advisory and Agency (IAA) Licence which allows it to interact with the local asset managers, participate in local RFPs, and meet with selected institutional clients.

#### Insurance Companies

TINTL is affiliated with Threadneedle Pensions Limited (“TPEN”), a UK corporate authorized by the Prudential Regulation Authority and regulated by the FCA and the Prudential Regulation Authority. TPEN issues unit linked policies of insurance to exempt approved pension schemes and also provides investment advisory services.

TINTL is affiliated with Ameriprise Captive Insurance Company.

#### Futures Commission Merchant, Commodity Pool Operator (“CPO”) or Commodity Trading Advisor (“CTA”)

We trade commodity interests for certain client accounts which requires us to be registered with the CFTC as a CTA. Additionally, our Advisory Affiliate CMIA is also registered as a CTA, CPO, and a swap firm and AFS is registered with the CFTC as a CTA and has obtained membership with the NFA in connection with such registration.

#### Banking or Thrift Institutions

TINTL is also affiliated with Ameriprise Trust Company, a Minnesota-chartered trust company that serves as trustee and offers investment management and related services to collective funds and institutional separately managed accounts.

We are also affiliated with Ameriprise Bank, FSB (“AFSB”), a US Federal Savings Bank and subsidiary of



Ameriprise Financial. AFSB was previously Ameriprise National Trust Bank 'ANTB' and was approved to convert to a Federal Savings Bank effective 6th May 2019. Please refer also to "Regulatory Risk-Banking" in the Risk Disclosure Appendix.

## **CODE OF ETHICS. PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

### **Our Approach to Conflicts of Interest**

Ameriprise Financial and its subsidiaries, which includes us, constitute a large diversified financial services organization. As a result of this and other aspects of our business, conflicts of interest arise from time to time among our different clients and among us, our affiliates, and our clients. Conflicts of interest that may arise in the course of providing investment advisory services are described throughout this brochure, as are some of our policies and procedures designed to address specific conflicts of interest, such as our Code of Ethics and trading procedures.

We have a compliance program in place that is intended to identify, mitigate and, in some instances, prevent actual and potential conflicts of interest, as well as to ensure compliance with legal and regulatory requirements and ensure compliance with client investment guidelines and restrictions. Our compliance program includes written policies and procedures that we believe are reasonably designed to prevent violations of applicable law and regulations. We have appointed a senior member of the compliance group as the Conflicts Officer to serve as both a resource to employees as well as to help ensure the compliance program appropriately addresses conflicts.

Our various business units typically take front-line responsibility for ongoing implementation and supervision of our policies and procedures, with monitoring provided by our compliance department. We also maintain various committees, which provide oversight and review of compliance across functional boundaries including several operating committees, whose membership is comprised of personnel from the impacted business area(s). These committees receive input from our compliance and legal departments and help ensure compliance with some of these policies and procedures. Some of the key committees (or subcommittees/working groups) supporting our compliance program efforts include those committees (or subcommittees/working groups) responsible for investment oversight, proxy voting, subadviser oversight, Code of Ethics oversight, valuation, trading, including complex securities and best execution, portfolio holdings disclosure and new products.

### **Code of Ethics/Personal Trading Rules and Procedures**

We and certain of our affiliates have adopted the Global Asset Management Personal Account Dealing and Code of Ethics ("Code") that sets forth standards of business conduct and principles to mitigate conflicts of interest for all our "Covered Persons" as they perform their respective roles and responsibilities, and when they engage in personal securities transactions. Covered Persons are persons who have access to our non-public client information, such as information about purchases or sales of portfolio securities for clients' accounts and may include employees of our affiliates and/or vendors. All Covered Persons are required to conduct most personal trades through designated broker-dealers unless an exception has been granted or in the case of Covered Persons at a non-U.S. affiliate, at a broker-dealer otherwise approved by such affiliate. Further, all Covered Persons must complete annual certifications regarding their personal securities accounts and holdings and attest that they have read and understand the Code. In addition, they must also comply with quarterly reporting requirements.

The specific provisions under the Code seek to ensure that clients' interests are placed ahead of the interests of Covered Persons. Under the Code, Covered Persons must pre-clear investments in most types of securities, are restricted with respect to the timing of certain transactions and are prohibited from making certain transactions. The Code also contains short swing profit prohibitions applicable to all Covered Persons and trading black-out periods which apply to applicable portfolio managers and traders.

These prohibitions are subject to limited exceptions.

The Code contains specific provisions relating to Fund shares, including a prohibition on direct or indirect market timing and, for Covered Persons, a 30-day holding period for Covered Funds subject to limited exceptions. Covered Funds are those funds for which we or an affiliate serves as an investment adviser or subadviser or for which an affiliate serves as principal underwriter.

We will provide a copy of the Code to any client or prospective client upon request. Clients may obtain a copy by writing to us at the address set forth on the cover of this Brochure or calling the phone number that appears on that page.

#### Material Non-Public Information

We and our employees may, from time to time, come into possession of material, non-public information which, if disclosed, might affect an investor's decision to buy, sell or hold a security including, as appropriate, shares of pooled vehicles. The Code incorporates our "Global Policy - Inside Information" which prohibits the misuse of material non-public information by us, our employees and those of our affiliates who may provide certain services to our accounts. Those who possess material non—public information must not:

- (a) use that information to obtain profits, mitigate losses or otherwise secure benefits for us, our clients, any of our affiliates or their clients, themselves, or others,
- (b) engage in transactions or make recommendations while in possession of material non-public information, or
- (c) disclose that information to others (except to Legal and Compliance personnel who assist in administering the Inside Information Policy or persons authorized by Legal and Compliance).

In addition, we have adopted procedures designed to restrict trading in an issuer's securities in situations where we or one of our employees, or an employee of one of our affiliates, possesses material non-public information regarding the issuer's securities. These prohibitions and restrictions on trading or sharing information may result in our not purchasing or selling securities for a client account or not fully communicating material investment ideas despite our view that a purchase, sale, or communication would benefit client accounts. Losses could be incurred if we cannot close out a position. In certain situations where material non-public information is obtained, these procedures also allow for the creation of an "information wall" to contain information within a small group in lieu of implementing a firm-wide prohibition on trading.

#### Products sold or managed by us in which we have a interest

From time to time, we may invest assets in an account for the purpose of creating a track record that will later be used to market an investment style. The level of assets invested in such "incubator accounts" may be substantial. Since the goal of an incubator account is to create a marketable track record, we or an affiliate may increase asset levels in an incubator account to meet market expectations regarding assets undermanagement.

When an incubator account's investment style is brought to market and client assets are committed to that investment style, we may withdraw our assets from the incubator account, though we would attempt to do so without impairing our ability to effectively manage pursuant to the investment style. Where TINTL or its associated companies own more than 20% of a portfolio, we consider that we have a material interest (also known as "proprietary accounts") except where such associated company investment is not held on a on a long-term basis or for the purpose of securing a contribution to its activities by the exercise of control or influence. Own accounts of the Advisory Affiliates will be determined in accordance with each respective entity's policies and applicable law. In such circumstances we will not aggregate it and other clients' orders when dealing, unless we are confident that there is no material disadvantage to third party clients.

When a particular portfolio needs to buy or sell securities due to periodic rebalancing or updating of an asset allocation portfolio, it may hold a large cash position. A large cash position (generated by selling securities or large inflows) could detract from the achievement of the portfolio's investment objective in a period of rising market prices; conversely, a large cash position would reduce the portfolio's magnitude of loss in the event of falling market prices and provide the portfolio with liquidity to make additional investments or to meet redemptions.

In implementing specific investment decisions through different accounts and investment vehicles, the timing of the implementation of our advice may differ among the various accounts or investment vehicles. Differences among the accounts and investment vehicles that impact this timing include, among others, whether the account is managed on an advisory basis and whether a third party is involved in the implementation of the advice.

Differences in timing may result in one client receiving better or worse investment performance than a client receiving similar advice through a different account, program, or investment vehicle. The timing and sequencing of trades executed for discretionary accounts in these programs, as well as underlying portfolios, is influenced by many factors such as the size of an asset allocation shift, the related cash flows in and out of the underlying portfolios, market conditions and the potentially differing views of those managing underlying Mutual Funds. Our investment platforms that manage accounts in these programs may also manage accounts for a variety of clients, including other institutional clients. In these situations, we seek to provide a process that is designed to prevent an unfair advantage in the timing and sequencing of trades for all client accounts.

#### Investing in securities for clients and personal security or corporate dealing

TINTL and its affiliates may act as investment adviser or sub -adviser to numerous client accounts including Mutual Funds. TINTL and its affiliates may give advice and take action with respect to any portfolios or accounts they manage, or for their own accounts, that may differ from action taken by them on behalf of other portfolios or accounts. TINTL and its affiliates are not obligated to recommend, buy, or sell, or to refrain from recommending, buying, or selling any security that they or their respective access persons, as defined by the Investment Company Act of 1940 ("1940 Act"), may buy or sell for their own accounts or for the accounts of any other client. TINTL and its affiliates are not obligated to refrain from investing in securities held by portfolios or accounts that they manage, except to the extent that such investments violate the "Global Code of Ethics" ("Code"). In summary, where there is an open or pending order or deal for a third-party client account, except under certain strict conditions, the Code does not permit personal or corporate dealing until those orders are completed.

TINTL does not exercise its management discretion to cause its clients to engage in principal transactions with, or agency cross transactions through, affiliated broker-dealers.

TINTL trades portfolio securities on the TINTL trading desk and has adopted trading procedures with TAML. TINTL has also adopted Information Barrier Procedures under which proposed or pending trades of TINTL will not be disclosed by its personnel to personnel of its affiliate CMIA, which serves as adviser to the Columbia Funds sub advised by TINTL, prior to the trade being executed, except for legal and compliance personnel, or other personnel to the extent necessary to fulfil their functions, either as part of the designated global trading function, or in accordance with any joint portfolio management or other services being provided, as stated in "Global Asset Management" above. Post-trade information will be available to all appropriate accounting, compliance, and legal personnel.

## **BROKERAGE PRACTICES**

### **Investment or Brokerage Discretion**

Generally, TINTL is retained with respect to its institutional account clients as well as its investment company clients on a discretionary basis. TINTL establishes guidelines with each client regarding management of the client's account. Within these guidelines, TINTL generally is authorized to make the following determinations in accordance with the client's specified investment objectives without client consultation or consent before a transaction is effected:

- Which securities to buy or sell;
- The total amount of securities to buy or sell;
- The broker or dealer through whom securities are bought or sold;
- The commission rates at which securities transactions for client accounts are effected, and
- The prices at which securities are to be bought or sold, which may include dealer spreads or mark-ups and transaction costs.

However, TINTL may accept advisory accounts with limited discretion or where investments are client - directed pursuant to the management agreement. In particular, TINTL accepts responsibility for sub - advising accounts managed by CMIA on a discretionary basis but has no authority to vote proxies associated with the securities that it purchases for such accounts. See "Voting Client Securities."

Ameriprise Financial issues various securities from time to time, including common stock. It is the policy of TINTL that no securities issued by Ameriprise Financial will be purchased for client accounts where TINTL exercises investment discretion, unless the client account is passively managed in an effort to match the returns of an index in which an Ameriprise Financial security is included. Therefore, a client account that is actively managed to an index (e.g. Russell Mid Cap Value Index) will not hold any Ameriprise Financial securities even if such securities are included in the index.

### ***Best Execution***

The section described below details of TINTL's Order Execution Policy ("Best Execution Policy") which applies to both:

- i. receiving and transmitting client orders; and
- ii. executing orders on a client's behalf

TINTL ultimately retains responsibility in terms of owing its clients a duty to seek best execution. However, in many circumstances TINTL (and its underlying clients) can gain additional comfort in the knowledge that it too will benefit from the duty of best execution which entities (i.e. EU regulated brokers) will owe when TINTL passes orders to those entities for execution.

Where orders are placed with brokers and that entity therefore executes orders "on a client's behalf", that entity will be judged to be performing a service whereby they either: -

- execute an order by dealing as agent;
- execute an order by dealing as risk-less principal on behalf of a client (or as matched principal as the case may be); and
- "work" an order on a client's behalf.

### ***Equity Orders***

TINTL endeavors to seek best execution on an equal basis for all clients.

### ***Execution Factors***

TINTL endeavors to provide all of our clients “best execution” on an equal basis.

There are five main factors (Price, Liquidity, Cost, Speed, Settlement) that TINTL may take into consideration with each transaction or group of transactions relating to this particular class of asset. There are also various sub-factors within each which will lead to each of the five criteria having a lesser or greater influence over the decisions to achieve the best execution.

The five criteria are listed below with their corresponding influencing factors.

**1. Price** – This will generally be the leading factor for most orders.

**2. Liquidity** – This can at times lead over price when there is a need to utilize the availability of natural liquidity in the market to achieve a meaningful position change within portfolios.

- Other factors
  - Use of risk capital by a broker
  - Use of Alternative Trading Systems (ATS) or Multilateral Trading Facilities (MTFs)

**3. Cost** – Awareness of lower cost trading venues for each transaction (i.e. price inclusive of additional charges, such as commission).

**4. Speed** –

- Natural liquidity
- Other factors
  - Expertise
  - Access to suitable trading venues
  - Provision of capital by a broker
  - When there’s a need to minimise trade intention leakage (e.g. due to size)

**5. Settlement** – Mindful of any potential issues regarding the execution venue or the executing broker. For example, in order to facilitate a requirement to shorten or extend a settlement period of a transaction.

**6. Other factors** – other factors which may be taken into consideration include the following:

- Size
- Nature
- Type and characteristics of the instrument
- Likelihood of execution
- Counterparty credit risk
- Information available (including, but not limited to, news, results, market environment and characteristics of the client etc.).

### ***Best Execution Criteria***

Based on our experience and judgement and using any relevant market information available at the time of a particular trade, we will determine the relative importance of the above-mentioned factors when considering the use of an execution venue.

### ***Best Execution Monitoring***

TINTL utilizes a combination of internal and external analysis to facilitate the monitoring of equity transactions.

### ***Execution Venues***

The decision to use which venue or entity is dependent upon the various factors described above and, importantly, whether execution is undertaken directly on a venue by TINTL or transmitted to brokers to execute the trades.

Our Best Execution Policy includes, for each Financial Instrument in which we execute orders on your behalf, those venues that we consider enable us to obtain Best Execution on a consistent basis. Those possible execution venues include, as appropriate for each product: regulated markets, multilateral trading facilities, systematic internalizers, market makers, and other liquidity providers.

We reserve the right to use any execution venues we deem appropriate in accordance with this Policy and may add or remove any execution venues from our approved list without notice. TINTL's equity order routing process first checks for available market liquidity via the Liquidnet electronic crossing network. Then, taking into consideration the aforementioned execution factors, TINTL selects from its approved broker and counterparty list which venue to execute the order with.

### ***Monitoring***

TINTL will utilize a combination of internal and external analysis to facilitate the monitoring of equity transactions. The approach uses both ex-ante and ex-post forms of process review and monitoring.

### ***Review***

TINTL will review its execution policy and procedures on at least an annual basis. Details of material changes to this policy will be made available to clients. This policy is available on the Group's website under the heading 'Legal Documents' within the Literature section.

TINTL also regularly reviews whether the execution venues we use to execute orders provide the quality of service we require to consistently obtain the best possible result for our clients. This is done using Transaction Cost Analysis to quantify execution quality and identify trends and outliers.

TINTL has a robust governance framework in place around order execution processes and outcomes. The relevant governance bodies are responsible for oversight of practices and review of this policy and include representation from the Front Office Risk & Controls, Trading and Compliance teams.

### ***General terms of order handling***

As we seek to enhance our investment capabilities and services to our clients, we may engage certain of our non-U.K. affiliated companies, of the Ameriprise Financial Inc., around the world to provide dealing services on behalf of the clients of TINTL. We believe that harnessing the collective expertise of Columbia Threadneedle Investments and its affiliates will benefit our clients. By utilising the execution skills and resources of different dealing desks around the world (notably UK, US and Singapore), we are able to be active and engaged in each of the live local markets with a real-time presence in markets around the globe. This global execution model adds value to the portfolio management teams and ultimately our clients.

We are required under MiFID to execute client orders in a prompt and fair manner. We will execute aggregated orders sequentially in accordance with the time of their receipt unless otherwise instructed by the client, the interests of the client require otherwise, or the specifics of the order and the current market conditions make this impracticable. This may involve merging client orders together with those of other clients and may also include aggregated orders from its affiliates. TINTL believes that overall, the effect of aggregation should generally be of benefit to clients, although it remains possible that on occasions, this may work to its disadvantage in relation to a particular order. For example, this may include circumstances whereby trades not aggregated with those of other clients (e.g. because of specific client instruction to execute otherwise) may be executed at different times via a different venue, receive a different price, which may or may not be a more favorable price to those that are aggregated with other

clients.

With regard to secondary market trading and, initial public offerings (IPOs), we comply with a strict order allocation process in accordance with our internal allocation policy.

This may involve merging client orders together with those of other clients and may, as stated in “Global Asset Management” above, also include aggregated orders from its Advisory Affiliates. We believe that overall, the effect of aggregation should generally be of benefit to clients, although it remains possible that on occasions, this may work to a client’s disadvantage in relation to a particular order. For example, this may include circumstances whereby trades not aggregated with those of other clients (e.g. because of specific client instruction to execute otherwise) may be executed at different times via a different venue, receive a different price, which may or may not be a more favorable price to those that are aggregated with other clients.

When an Advisory Affiliate performs advisory and related services for our accounts (including placing of orders) or we provide similar services for an Advisory Affiliate’s accounts, orders for our client accounts and those of one or more of our Advisory Affiliates may be aggregated and allocated in accordance with our best execution obligations and as consistent with applicable law and client guidelines. In circumstances where orders are placed for our accounts and those of our Advisory Affiliates on a coordinated basis, it is possible that such aggregation will result in larger orders and decreased allocation opportunities available to our accounts, especially for less actively traded securities. It is also possible that orders may take longer to execute. We and our Advisory Affiliates have implemented policies and compliance controls to ensure that the aggregation and allocation of orders for our respective accounts with coordinated trading are executed in a fair and equitable manner consistent with applicable law.

Except as described above or in order to assure the continuation of services if necessary, orders on our trading desk are not shared with the trading desks of our Advisory Affiliates. As a result, it is possible that we and our Advisory Affiliates may trade in the same instrument at the same time, in the same or opposite direction or in different sequence.

### ***Specific Client Instructions***

When a client gives TINTL a specific instruction as to the execution of an order, then that order will generally be executed in accordance with those specific instructions. Clients should therefore be aware that providing specific instructions will override TINTL’s obligations to execute client orders in accordance with this Policy.

Similarly, if a client gives a specific instruction for an “Advisory Fund” or an “Advised Execution” fund, this instruction may prevent us from obtaining the best possible result in accordance with our Policy.

Where TINTL gives a specific instruction to an entity as to the execution of an order (for example, Direct Market Access (DMA) equity orders submitted via an electronic system), that order would be carried out by that entity (or broker) in accordance with the specific instructions and may not therefore follow the process indicated in the entity’s own Policy. In such situations, TINTL will be solely responsible for providing best execution to its own clients, and as a client of the Broker entity providing DMA may not have the benefit of those regulatory protections owed to it by that entity.

### ***Fixed Income Orders***

#### ***Order Execution***

We will take sufficient steps to obtain the best possible result for our clients (as defined in the Markets in Financial Instruments Directive subject to a number of factors described below.

### ***Best Execution Factors***

TINTL endeavors to provide all of our clients “best execution” on an equal basis.

There are three main factors (Price, Size, Settlement i.e. the likelihood of) that TINTL may take into consideration with each transaction or group of transactions relating to this particular class of asset. There are also various sub-factors within each which will lead to each of the criteria having a lesser or greater influence over the decisions to achieve the best execution.

The following factors are taken into account when executing a client order:

- Price - This will generally be the leading factor for most orders;
- Size - The ability to execute the size of order relative to available liquidity in the market and normal market volumes;
- Likelihood of execution and settlement (including speed of execution) - Mindful of any potential issues regarding the execution venue or the executing broker. For example, in order to facilitate a requirement to shorten or extend a settlement period of a transaction; and
- Any other consideration relevant to a particular order including the following:
  - Nature of the instrument;
  - Type and characteristics of the instrument;
  - Other information (including, but not limited to, news, results, market environment and characteristics of the client etc.).

### ***Best Execution Criteria***

Based on our experience and judgement and using any relevant market information available at the time of a particular trade, we will determine the relative importance of the above-mentioned factors and consider the use of an execution venue.

### ***Execution Venues***

A decision is made to use an execution venue or voice trade on the asset class and size of the trade.

The following factors are taken into consideration in the evaluation of these venues: -

- Ability of execution venue to provide best price
- All direct and indirect costs of trading & settlement
- The applicability of the execution venue for different sizes of order
- Likelihood of execution
- Likely speed of execution
- Depth of liquidity
- Settlement & straight through processing (STP) arrangements
- Applicability to different types of order
- Other factors relating to particular asset classes

The decision to use which venue or entity is dependent upon the various factors described above and, importantly, whether execution is undertaken directly on a venue by TINTL or transmitted to brokers to execute the trades.

Our Best Execution Policy includes, for each Financial Instrument in which we execute orders on your behalf, as detailed in each specific asset class annex, those venues that we place significant reliance on to enable us to obtain Best Execution on a consistent basis. Those possible execution venues include, as appropriate for each product: regulated markets, multilateral trading facilities, organized trading facilities, systematic internalizers, market makers, and other liquidity providers.

We reserve the right to use any execution venues we deem appropriate in accordance with this Policy and may add or remove any execution venues from our approved list without notice. Threadneedle fixed income order execution process takes into consideration the aforementioned execution factors. Depending upon those factors and the type of instrument being executed, TINTL may route its order via



electronic trading platforms including but not limited to Tradeweb, Bloomberg TSOX and MarketAxess and, in respect of FX, FXAll and FX Connect. Alternatively, the order may be executed directly with a broker from its approved broker and counterparty list

### ***Monitoring***

We regularly monitor the effectiveness of our execution arrangements and policy and assess the efficiency of our Execution Venues using a combination of internal and external analysis. The approach uses both ex-ante and ex-post forms of process review and monitoring.

### ***Review***

TINTL will review its execution policy and procedures on at least an annual basis. Details of material changes to this policy will be made available to clients. This policy is available on the Group's website under the heading 'Legal Documents' within the Literature section.

### ***General Terms of Order Handling***

As we seek to enhance our investment capabilities and services to our clients, we may engage certain of our non-U.K. affiliated companies, of the Ameriprise Financial Inc., Group, around the world to provide dealing services on behalf of the clients of TINTL. We believe that harnessing the collective expertise of TINTL and its affiliates will benefit our clients. By utilising the execution skills and resources of different dealing desks around the world (notably UK, US and Singapore), we are able to be active and engaged in each of the live local markets with a real - time presence in markets around the globe. This global execution model adds value to the portfolio management teams and ultimately our clients.

We are required under MiFID to execute client orders in a prompt and fair manner. We will execute aggregated orders sequentially in accordance with the time of their receipt unless otherwise instructed by the client, the interests of the client require otherwise, or the specifics of the order and the current market conditions make this impracticable. This may involve merging client orders together with those of other clients and may also include aggregated orders from its affiliates. TINTL believes that overall, the effect of aggregation should generally be of benefit to clients, although it remains possible that on occasions, this may work to its disadvantage in relation to a particular order. For example, this may include circumstances whereby trades not aggregated with those of other clients (e.g. because of specific client instruction to execute otherwise) may be executed at different times via a different venue, receive a different price, which may or may not be a more favorable price to those that are aggregated with other clients. With regard to secondary market trading and New Issues, we comply with a strict order allocation process in accordance with our internal allocation policy.

### ***Specific Client Instructions***

When a client gives TINTL a specific instruction as to the execution of an order, then that order will generally be executed in accordance with those specific instructions. Clients should therefore be aware that providing specific instructions will override TINTL's obligations to execute client orders in accordance with this Policy.

Similarly, if a client gives a specific instruction for an "Advisory Fund" or an "Advised Execution" fund, this instruction may prevent us from obtaining the best possible result in accordance with our Policy.

### ***Money Market Instruments***

The following factors are taken into account when executing a client order in money market instrument (“MMIs”):

- price;
- costs of transaction;
- speed of execution
- likelihood of execution and settlement; and
- size of the order;
- nature of the order;
- any other consideration relevant to a particular order (including credit rating of the counterparty to the transaction).

A list of venues (counterparties) is available on request.

### ***Derivatives***

#### ***Execution Factors***

Foremost, the following factors are taken into account when executing a client order involving a derivative transaction:

- price;
- size of the order;
- liquidity in the instrument concerned.

The list of counterparties used for transacting derivatives is typically subject to each specific client’s arrangements.

#### ***Units in Collective Investment Schemes/Mutual Funds***

Execution of units in collective investment schemes will be on a case by case basis subject to the type and nature of the client’s portfolio. Typically, this will be executed via the operator of the collective investment scheme/mutual fund.

#### ***Client Order Handling: Aggregation***

Certain investments may be appropriate for more than one account including the accounts of any Advisory Affiliate for which we are providing dealing services. When one account buys or sells the same investment as another account, the purchase or sale of the securities or other instrument will be allocated in accordance with certain procedures designed to ensure the accounts are treated fairly and equitably. Under normal circumstances, we believe that aggregation of orders is in clients’ best interest because:

- 1) aggregated orders reduce fixed cost or de minimis dealing expenses;
- 2) all aggregated accounts will be treated fairly and each account will bear no more than its pro rata expense in the aggregated transaction; and
- 3) simultaneous working of orders by multiple brokers is more likely to move the market (more apparent interest).

Generally, purchase and sale orders for the same security or other investment at the same time will be combined and the transactions allocated as to amount and price in a manner considered equitable so that each account receives, to the extent practicable, the average price of such transactions and pays pro rata transaction costs. Exceptions may be made based on such factors as the type of trade. It may not always be possible, or consistent with the possibly differing investment objectives or restrictions of the accounts, to take or liquidate the same investment positions at the same time or at the same prices.

Although sharing in large transactions may adversely affect the price or volume purchased or sold by the accounts, an overall advantage in execution is expected.

Orders need not be aggregated if:

- 1) the portfolio manager believes that aggregation is not consistent with the best interests of the customer or the duty to seek best execution;
- 2) aggregation would be inconsistent with an investment management agreement, statute or regulation; or
- 3) aggregation is impractical, such as when a security is included with a program trade. Notwithstanding the foregoing, unless the specific instances of the order make it clear that clients will not benefit from aggregation, unfilled client orders are generally aggregated.

TINTL does not aggregate client orders with orders for its proprietary accounts or the proprietary accounts of its Advisory Affiliates, as each entity defines such term. With respect to limit orders that may be entered by TINTL or its Advisory Affiliates for a particular security, later orders entered for the same security can be executed ahead of earlier outstanding limit orders. In addition, under TINTL's Trading Procedures, investment orders for ordinary shares and related investments will be dealt independently, but the reason for not dealing in the ordinary share must be given by the portfolio manager. Orders for one should not be delayed while working the other. Dealing in related investments for the purpose of 'jumping the queue' is not permitted.

Where client orders are aggregated and insufficient shares are obtained to completely fill the order for all accounts, the securities will generally be allocated on a pro rata basis. TINTL may revise the allocation of an aggregated order if there has been an error or if the order is only partially executed and the original allocation would result in an uneconomic allocation to some clients. Such revisions must be in writing. Allocations may also be revised under the general exception processes of the Procedures. All exceptions must be in writing and approved by senior management or the Compliance Department. If at any time the trading desk holds non-aggregated orders for the same security, those non-aggregated orders will be allocated based on the order in which executions are confirmed by the broker in the order in which each portfolio manager's trade was placed.

***Client Order Handling: Client Order Priority & Own Account*** (also known as Proprietary Accounts) Clients' orders and own account orders in the same or related investments must be executed fairly and in due turn. To ensure that client orders are not disadvantaged we won't aggregate client orders and orders for our proprietary accounts and the proprietary accounts of our Advisory Affiliates, but deal them separately, waiting for the clients' order to be filled before placing the own account order with the broker. Where TINTL or its associated companies own more than 20% of a portfolio, we consider that we have a material interest (also known as "proprietary accounts") except where such associated company investment is not held on a on a long-term basis or for the purpose of securing a contribution to its activities by the exercise of control or influence. Own accounts of the Advisory Affiliates will be determined in accordance with each respective entity's policies and applicable law.

### ***Limit orders***

Later orders can however be executed ahead of earlier outstanding limit orders which are awaiting the price to reach their target levels.

### ***Related Investment Orders***

Orders for ordinary shares and related investments will be dealt independently, but the reason for not dealing in the ordinary share must be given by the portfolio manager. There should be no attempt to delay one order whilst working the other.

Dealing in related investments for the purpose of 'jumping the queue' is unacceptable.

### **Client Order Handling: Allocation**

#### ***Pre-Account Designation***

A portfolio manager gives the trader the account numbers of, or other identifying information regarding the participating accounts involved and the proposed allocation among them in all transactions at the time the order is placed.

#### ***Timely allocation***

Completed orders should be allocated promptly, and, in the case of a trade involving any U.S. Client, at least daily. In practice orders are allocated to clients before dealing, and we do not aggregate orders for client accounts with own account orders.

#### ***Partial allocation***

Where client orders are aggregated and insufficient shares are obtained to completely fill the order for all accounts, the shares will be allocated on a pro rata basis.

#### ***Revised allocation***

A firm may revise the allocation of an aggregated order if there has been an error or if the order is only partially executed and the original allocation would result in an uneconomic allocation to some clients.

#### ***Allocation of non-aggregated trades***

If at any time the trading desk holds non-aggregated orders for the same security, those non-aggregated orders will be allocated based on the order in which the portfolio manager's trade was placed. "Own account" orders will be dealt once client orders have been completed.

***Access to and allocation of Initial Public Offerings (IPOs), New Issues and Underwriting*** Depending upon the investment objectives, strategies and restrictions applicable to an account, portfolio management teams may invest client assets in securities offered in an initial public offering ("IPO"). The availability of IPO shares is generally limited; this is particularly the case with "hot issues" where the demand for participation in such transactions far exceeds the supply of shares that are available. This scenario typically results in higher values when the offering first begins to be publicly traded. The allocation of IPO shares to interested investors, such as to us for allocation to our clients, is made by the underwriter of the transaction. These allocations are based on many factors, including the investors' past business with the underwriter.

Typically, all accounts with the same investment objective and strategies that are managed by the same portfolio management team will ordinarily participate in the investment on a pro-rata basis based on relative account size. If there is a scaling back on final allocation, then the original portfolio allocations will be strictly scaled back on a pro rata basis.

In certain circumstances and as consistent with applicable law and our best execution obligations, we may determine to allocate IPO shares to our clients and those of our Advisory Affiliates on an aggregated basis. Our ability to receive IPO allocations for our clients and those of our Advisory Affiliates for which we provide trading services may be partially based on the trading activity of all accounts managed by us and the accounts of our Advisory Affiliates for which we provide trading services including the trading activity of many accounts that will not be eligible to receive allocations of IPO shares.

It is not our policy to invest in unlisted securities or private equity.

We have a well-established sub-underwriting procedure. A sub-underwriter sub-underwrites some or all of the obligations of the main underwriter; the underwriter passes its risk to the sub-underwriter by requiring the sub-underwriter to subscribe for or purchase a portion of the shares for which the underwriter is obliged to subscribe in the event of a shortfall. Our fundamental principle is that we underwrite issues where we either hold, or are prepared to hold, the underlying stock. Therefore, we will occasionally underwrite a placing where we intend to purchase that stock, but do not yet have an established holding. Our underwriting is not driven by income considerations. Formal written guidelines are in place outlining our underwriting procedure with which portfolio managers must comply to ensure that all clients have equal opportunity to participate where applicable.

### ***Error Compensation***

The Group's error policy is one of full restitution for the client. The global Trade Error Management policy is followed where approval is sought from relevant independent teams regarding the methodology and calculated impact for the purposes of client compensation.

TINTL compensates the client for any losses incurred as a result of the error. All profits from errors relating to management of client money are given to the client where possible.

### **Selection of Broker-Dealers**

TINTL has discretion to select both U.S. and non-U.S. brokers and dealers to effect client transactions. TINTL's objective in selecting brokers and dealers and in effecting portfolio transactions is to seek to obtain the best combination of price and execution with respect to its accounts' portfolio transactions. The best net price, giving effect to brokerage commissions, spreads and other costs, is normally an important factor in this decision, but a number of other judgmental factors are considered as they are deemed relevant. The factors include, but are not limited to: price; TINTL's knowledge of negotiated commission rates and spreads currently available; the nature of the security being traded; the size, type and difficulty of the transaction; the nature and character of the markets for the security to be purchased or sold; the desired timing of the trade; the activity existing and expected in the market for the particular security; confidentiality; the execution, clearance and settlement capabilities as well as the reputation, reliability, integrity and perceived soundness of the broker -dealer selected and others that are considered; the firm's risk in positioning a block of securities; TINTL's knowledge of actual or apparent operational problems of any broker-dealer; the broker-dealer's execution services rendered on a continuing basis and in other transactions; the reasonableness of spreads or commissions if allowed by regulation; and the overall benefits of supplemental investment research provided by the firm to the extent permitted by applicable regulations.

As stated in "Global Asset Management" above, where an Advisory Affiliate is providing trading services for our accounts or we are providing trading services for an Advisory Affiliate's Accounts, we or our Advisory Affiliate executing the trade order will select a broker -dealer that has been approved by us and each of the Advisory Affiliates for which accounts are being aggregated. This selection of broker- dealers may be smaller than the selection of broker -dealers otherwise available were our accounts not being aggregated with the accounts of our Advisory Affiliates. Such broker -dealer selection will be consistent with our obligation to seek best execution.

TINTL may use an Electronic Communications Network ("ECN") or Alternative Trading System ("ATS") to effect trades when, in TINTL's judgment, the use of an ECN or ATS may result in equal or more favourable overall executions for the transactions.

### ***Commission Rates or Equivalents Policy***

The U.S. and certain foreign securities markets are subject to negotiated rates of execution commission. In selecting brokers and dealers through whom to effect these transactions, TINTL seeks to obtain quality execution at favorable security prices. TINTL endeavors to be aware of current charges of eligible broker-dealers and to minimize the expense incurred for effecting portfolio transactions to the extent consistent with the interests and policies of its accounts. However, TINTL will not select broker-dealers solely on the basis of “posted” commission rates nor always seek in advance competitive bidding for the most favorable commission rate applicable to any particular portfolio transaction. Although TINTL generally seeks competitive commission rates, it will not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the broker-dealer involved resulting in higher commissions or their equivalents than would be the case with transactions requiring more routine services.

The reasonableness of commissions is based on the broker's ability to provide professional services, competitive commission rates, and other services that will help TINTL in providing investment management services to clients.

### ***Broker Selection***

In terms of choosing trading partners, brokers are selected on the basis of their ability to add value to our portfolio management operation. Appropriate due diligence is carried out on any broker before they are used by TINTL. The due diligence is completed to ensure TINTL is transacting with a reputable broker, and that TINTL complies with Anti-Money Laundering requirements. The continued use of counterparties will be reviewed in accordance with the Group's Counterparty Credit Risk Policy.

As an active manager, our investment process uses extensive in-house research supplemented with specialist research acquired from third party research providers. This enables us to selectively access broader knowledge to generate performance across our strategies. External research costs that TINTL incurs on behalf of clients are paid for by TINTL out of its own resources. We will maintain our extensive internal research activities. Our approach to third party research funding under the UK's implementation of the Recast of the Markets in Financial Instruments Directive (MiFID II) provides clarity and simplicity for clients.

### ***Regularity***

A thorough review is done annually in Q1 and then updated throughout the year as deemed necessary in light of changes to the service received.

Each desk will input desk results following a full survey of services received by all members of the team.

### ***Execution Survey***

The dealers: The main areas scored are liquidity, pricing, sales trader quality, and communication of order flow, news flow and the effective provision of capital.

Monthly commission figures are monitored to ensure that the commission received by brokers is in line with the execution analysis performed. In each calendar year we expect brokers research commission to closely reflect the execution analysis.

Our major global brokers receive annual reviews where they will be given the sheet showing their overall position and all scores that have contributed to that. This ensures that brokers understand what services we value and our commission is rewarding. Discussions will cover all aspects of the service received and areas where we expect improvement.

### ***Benchmarking of commission levels***

TINTL studies market information on average market commission rates. In addition, we subscribe to a service from a third-party Transaction Cost Analysis (TCA) company who benchmark our commission rates in each region within their database.

Comparison is not always straight forward as average commission rates are likely to be a function of turnover levels, of capital commitment by brokers and of the level of research input required.

### ***Execution Commission Rates***

Commission rates are reviewed on at least an annual basis and standard commission rates for each asset class are determined. We aim to obtain the most competitive rates available for the level of services we require.

Other commission rates will be negotiated for specific trades where certain trading venues or strategies are adopted, for example with programme trades.

### ***Variations in Rates of Commission***

Trades will also be undertaken at other commission rates, negotiated with the counterparty for specific venues or trading strategies. These may include Direct Market Access, Programme or Algorithmic Trading.

### ***Dealing Efficiency Monitoring***

Our goal in trading on behalf of our clients is to achieve the best possible transaction and settlement terms (accuracy and timeliness) in the most cost-efficient manner. TINTL therefore operates in accordance with standards of best execution and timely and fair allocation. We ensure timely investments and minimise cost and market impact by centralizing trades and using the best-priced broker for each trade to ensure best execution. A dedicated team of compliance analysts also undertakes weekly monitoring of equity trade prices, to ensure comparative execution quality in line with market price and they also monitor the timeliness of trades between portfolio managers' instructions and dealers placing in the market, thereby helping to monitor for timely execution.

### **Soft Dollar / Research/Execution Policy**

#### ***Purchase of Research***

We believe that whilst information is plentiful, good ideas are scarce and at TINTL, internal research is the principal driver of our investment process although we will use external sources where this approach is more efficient e.g. financial modelling. Rather than spending a great deal of time and effort in building proprietary models, the focus of our research is on understanding the best models available externally, understanding the key assumptions within these models and adjusting these when and where appropriate. This allows us to concentrate on those areas where we believe our proprietary research can add most value and where sell side research is weaker.

We use external research to support our own analysis and research, but it is our proprietary and rigorous analysis of industry dynamics, balance sheet, cash flows and competitor environment that gives us our competitive edge.

In addition, and recognizing the global nature of business and investment, we have 12 global sector teams crossing geographic boundaries to look at sectors such as technology and energy at a global level. Comprising a member of each geographic desk, these teams take a broader perspective of the trends affecting their industries and compare cross-border valuations. The aim is to leverage research done across the entire investment team, establishing a forum for the exchange of news and ideas with colleagues on other desks, and profiting from anomalies that this level of research reveals.

### ***Soft dollar/Commission Sharing Arrangements (CSA) Program***

As a consequence of the introduction of new regulation across Europe from January 3, 2018, namely the recast of the *Markets in Financial Instruments Directive* ("MiFID II") and *Markets in Financial Instruments Regulation* ("MiFIR"), TINTL made the decision to no longer operate a soft dollar/CSA program.

As an active manager, our investment process uses extensive in-house research supplemented with specialist research acquired from third party research providers. This enables us to selectively access broader knowledge to generate performance across our strategies. External research costs that TINTL incurs on behalf of clients are paid for by TINTL out of its own resources. We will maintain our extensive internal research activities. Our approach to third party research funding under MiFID II/MiFIR European regulation provides clarity and simplicity for clients.

### **Brokerage for Client referrals**

When selecting brokers, we do not consider whether we or a *related person* receives *client* referrals from a broker-dealer or third party.

### **Directed Brokerage**

We do not either routinely recommend, request or require that a client direct us to execute transactions through a specified broker-dealer or permit a client to direct brokerage. We consider that under these practices we may be unable to achieve most favorable execution of client transactions.

### **Transaction Aggregation Policy**

This is discussed above in Brokerage Practices

### **FX Trading**

Depending on the directions from the client, foreign currency (FX) transactions are effected either through our selection of brokers for trading execution or through the client's custodian. Where TINTL has been given authority to place FX trades, the client's portfolio will be set on TINTL's trading system with a single operating currency (which may not be the same as the reporting currency of the account). Client account trades (i.e., purchases or sales of portfolio securities) that occur in currencies other than the operating currency will be converted to the operating currency by processing an FX transaction with brokers TINTL selects at its discretion. All income will also be repatriated to the operating currency of the account pursuant to standing instructions from TINTL to the client's custodian bank. Except where expressly permitted by the investment guidelines, TINTL does not seek to make currency bets on client accounts, but only enters into FX transactions for currency management purposes. Where the client has directed TINTL to use the client's custodian to repatriate foreign currency TINTL does not evaluate the repatriation services provided to the client.



## **REVIEW OF ACCOUNTS**

### **Account guideline review**

Generally, portfolio managers review TINTL accounts on an on-going basis in accordance with the investment approach, internal investment policy guidelines, and client objectives. Portfolio managers continuously receive investment information from analysts, investment meetings, and product-specific analyses, models, and screens. This information is interpreted within the context of the specific objective and constraints of the client. Given the fluid nature of financial markets and the continuous flow of information available to consultants, the account review process is continuous. On an on-going basis, investment personnel analyses economic forecasts, industry and country developments, and evaluate the relative attractiveness of individual securities. Revised investment recommendations and changes in client circumstances or objectives are among the factors that may trigger an account review. However, portfolio managers also meet with clients usually at least once per year to discuss their investment objectives and guidelines, during which the account guidelines determined by the client and any related investment parameters are discussed. TINTL also employs pre- and post-trade controls and monitoring techniques through automated and manual procedures in an effort to ensure that portfolios are managed in accordance with client specific guidelines and restrictions.

Portfolio managers and the individual desk heads review the performance of accounts on an informal real-time, daily, weekly or monthly basis (as applicable to different types of accounts). The Chief Investment Officer, with the relevant desk heads, carries out formal quarterly performance reviews of all of TINTL's discretionary accounts. In addition; periodic performance reviews are also carried out during TINTL's overall investment management leadership team meetings, for the accounts within their business grouping.

Each of our portfolio managers and other investment personnel are responsible for managing assigned accounts in accordance with their investment objectives and guidelines. There is no specific limit on the number of accounts that may be assigned to each professional. In addition to the reviews above, factors that may cause the portfolio manager to initiate a portfolio re view include, but are not limited to: changes in the investment strategy; changes in the client's objectives, guidelines or restrictions; significant price movements of portfolio securities or of the portfolio as a whole; changes in the prospects of a particular portfolio security; the need to invest incoming cash; and the need to raise cash from the portfolio.

Our Investment Risk Team provides independent oversight of investment risk for all portfolios. This process includes regular reviews of the portfolios' risk profile versus their appropriate benchmark, and the contributors to the risk at the security, sector, factor, geography and currency level. In addition, a wide variety of other risk measures, potentially including volatility, tracking error, active share, Value at Risk (VaR), among others are monitored. The Investment Risk Team also regularly monitors liquidity risk.

### **Client Communications and Reporting**

Generally, reports are provided to institutional clients at the end of each calendar quarter showing performance, the value and holdings of the account and summarizing changes impacting the account during the quarter. These clients may request and receive this information and additional transaction details on a monthly basis. Reports on Registered Funds are provided to the Boards of Directors/Trustees, or their agent, at regularly scheduled meetings of the boards and on a more frequent basis, as necessary. We may also provide a monthly or quarterly report that includes portfolio manager or product commentary on sources of return within the portfolio and recent market conditions. In addition, client relationship managers and/or investment personnel generally will offer to meet with clients or their representatives on an annual basis to review goals, objectives, holdings and portfolio performance unless the client requests more frequent meetings. In the case of the Registered Funds, the portfolio managers will typically report to the Board of each Registered Fund on an annual basis. This report typically covers performance, investment process and an analysis of results.

## **CLIENT REFERRALS AND OTHER COMPENSATION**

### **Client Referrals / Promoter Arrangements and Sales Compensation**

We have entered into and may enter into written promoter agreements (formerly referred to as “solicitation” agreements) with affiliated and non-affiliated third parties. Pursuant to these arrangements, we pay compensation for clients referred to us for separate account management. We structure these arrangements in accordance with the applicable requirements of the Advisers Act including those that limit the types of entities and people who may be used as promoters. These requirements impose an obligation for clients of non-affiliated promoters to receive a separate disclosures describing, among other things, whether the promoter is a current client of ours or an investor in a private fund managed by us, any conflicts between the promoter and us, and the terms of our compensation arrangement with the promoter. Additionally, we may take input from solicitors during fee negotiations with clients in foreign jurisdictions regarding local market factors. The terms of our written solicitation agreements may obligate us to pay compensation until termination of the client relationship. From time to time, we may also enter into written solicitation agreements with employees or independent contractors of our affiliates which allow these individuals to refer potential investment advisory clients to us. Generally, client fees are not increased as a result of any referral fees. In the event of an increase, the specifics of the fee differential will be disclosed to the client in accordance with the applicable requirements of the Advisers Act. We require promoters to forward copies of any client correspondence that is sent to the promoter but intended for us. We also require promoters to communicate to us any written client complaint or material client issue that is received or identified by the promoter. To the extent a promoter fails to forward client correspondence, complaints or other issues to us, we may not be able to appropriately address them.

Certain employees of the Ameriprise Financial organization (including us) are paid bonuses, which, unless prohibited by local law, may be based, in part, upon retaining and increasing assets under management. While activities that result in higher compensation may influence behavior, it is our policy to treat all clients fairly and equitably in accordance with our fiduciary duty.

From time to time, our employees may give or receive gifts and entertainment to or from persons associated with a client, prospective client, supplier, third party or consultant. Our policy, which is designed to address the potential conflicts of interest relating to gifts, entertainment and other benefits, outlines limits that are applicable and the procedures that our employees must follow in order to give or receive gifts and benefits to or from clients, prospective clients or suppliers.

Unaffiliated third parties may also receive fees from us or from our affiliates in connection with the sale or servicing of securities products sponsored by us, including Funds and Private Funds.

## **CUSTODY**

TINTL does not, in the normal course of business, maintain custody of client portfolios or securities.

Although we do not maintain custody of client assets, we may on occasion inadvertently receive client funds or securities. If we inadvertently receive funds or securities attributable to a client or former client from a third party, we will forward the funds or securities to the client, former client or the client’s qualified custodian as required under the Custody Rule.

We provide monthly statements to our clients and have a good faith belief that the custodian also sends the client a statement, at least quarterly, identifying the amount of funds and securities in the account at the end of the period and setting forth all transactions in the account during that period. We encourage our clients to compare the account statements that their custodian sends them with those that we provide.

## **INVESTMENT DISCRETION**

The accounts over which we exercise investment discretion are generally subject to investment restrictions and guidelines developed in consultation with clients. We will exercise such discretionary authority with a client only after executing an agreement that gives us such discretion. These restrictions and guidelines customarily impose limitations on the types of securities that may be purchased and also generally limit the percentage of account assets that may be invested in certain types of securities. Additional policies may be set by a client's board or investment committee. We generally are authorized to make the following determinations, consistent with each client's investment goals and policies, without client consultation or consent before a transaction is affected:

- Which securities or other investments to buy or sell;
- The total amount of securities or other investments to buy or sell;
- The broker or dealer through whom securities or other investments are bought or sold;
- The commission rates at which securities or other investment transactions for client accounts are affected; and
- The price at which securities or other investments are to be bought or sold, which may include dealer spreads or mark-ups and transactions costs.

It is not TINTL's practice to accept accounts for which we have discretionary authority to purchase securities for the account, but where we are not able to select broker-dealers for transactions. We may accept non-discretionary arrangements, such as providing a series of securities recommendations by periodically updating a model portfolio or where clients retain investment discretion with respect to transactions in the account. In these situations, our lack of investment discretion may cause the client to lose possible advantages that our discretionary clients may derive from our ability to act for those discretionary clients in a more timely fashion, such as the aggregation of orders for several clients as a single transaction.

TINTL may act as investment manager to other clients now or in the future and each account's investment restrictions and guidelines may differ. All investment decisions for an account are made in accordance with the investment restrictions and guidelines of that account. Investment decisions for each account are made with a view to achieving the account's investment objectives and after consideration of such factors as the account's current holdings, the current investment views of the particular portfolio manager, availability of cash for investment, and the size of the account's positions generally. In addition, we may apply certain proprietary risk management guidelines or other restrictions to the universe of accounts we manage in situations where we believe such actions will enhance our overall advisory services. These internal restrictions are subject to change and may impose supplemental limitations and guidelines on the management of an account in addition to the guidelines provided to us by the applicable client.

## **VOTING CLIENT SECURITIES**

TINTL currently has no discretionary managed equity portfolios therefore does not vote proxies in respect of equity securities.

Should TINTL sub-advise any equity accounts in which it becomes responsible for voting proxies on equity securities held in accounts that it manages on a discretionary basis, TINTL will adopt a proxy voting policy in accordance with Advisers Act Rule 206(4)-6.

## **FINANCIAL INFORMATION**

We do not require or solicit prepayments from clients, nor do we have physical custody of client funds or securities. We do, however, have discretionary authority over client funds and securities.

We currently do not know of any financial condition that is reasonably likely to impair our ability to meet our contractual commitments to our clients.

## **NOTICE OF PRIVACY POLICIES AND PRACTICES**

Maintaining our clients' trust and confidence is a high priority. That is why we want you to understand how we protect your privacy when we collect and use personal information, and the measures that we take to safeguard that information.

**Information We Collect.** In order for us to provide services to you, you provide us with non-public personal information you ("Client Information"). Client Information we collect about you comes primarily from the forms that are completed during the client intake process and from the transactions that you make with us and others. We also may receive Client Information about you from other unaffiliated companies who provide services to you. To the extent that such Client Information contains personal data, we will handle such personal data in line with our obligations under the U.K. Data Protection Act (UK DPA), U.K. General Data Protection Regulation (U.K. GDPR), EU General Protection Regulation (EU GDPR), and/or any other applicable data protection law.

**Disclosure of Client Information.** Client Information about you or any former client is only disclosed as authorized by you or as permitted by law. For example, we may provide copies of your client statements to a third party if you request or authorize such release, or we may be required to provide Client Information pursuant to a subpoena or other legal mandate. Client Information about you or any former client is also disclosed to entities, whether or not affiliated with us, that help us to administer, maintain, and service your accounts. Also, unless we are contractually prohibited, Client Information about you may also be provided to our other financial services affiliates, including other asset management affiliates, in order to assist us, or them, in providing or offering products and services to you. However, we will not share Client Information for marketing purposes with affiliates or non-affiliates with respect to any natural person or wrap clients even if they may be considered institutional clients. Our institutional policy is, of course, subject to any contractual prohibitions on our ability to share Client Information for marketing purposes and any other client-imposed restrictions on this practice.

**Protecting Client Information.** We provide access to Client Information only to those employees and agents (which can include affiliates and non-affiliates) who need the information to perform services for you or functions on your behalf, as well as those affiliates who may be involved in providing or offering services to you, as described above. Be assured that we maintain physical, electronic, and procedural security measures that comply with federal regulations to safeguard Client Information.

If you have any questions about how we protect and safeguard non-public personal information, please call your Client Relationship Manager or see [Privacy and cookie policy | Columbia Threadneedle Investments \(columbiathreadneedle.co.uk\)](https://columbiathreadneedle.co.uk/privacy-and-cookie-policy) for more information.

*Please direct any questions or requests for additional information regarding us to the address or telephone number listed on the cover of this brochure.*

## **RISK DISCLOSURE APPENDIX**

Investing in securities involves risk of loss that clients should be prepared to bear. Below you will find a description of the material risks that apply to the investment strategies listed in the chart in "Methods of Analysis, Investment Strategies and Risk of Loss". Some of these risks relate to very strategy-specific risks, such as foreign currency risk, and others are broader and impact all strategies generally, such as market or issuer risk.

The following risk descriptions are designed to help clients anticipate some of the challenges and risks associated with the asset management industry today. Clients should speak with their consultants or other financial advisors for more information regarding these and other risks associated with making an investment.

When we provide investment management services to a client, we are serving as an investment manager only with respect to those assets we manage and not with respect to the client's other assets or with an eye towards the client's overall financial situation.

### **A) PORTFOLIO/STRATEGY SPECIFIC RISKS**

#### **Active Management Risk**

Due to its active management, the portfolio could underperform other portfolios with similar investment objectives and/or strategies.

#### **Allocation Risk.**

A portfolio uses asset allocation strategies in pursuit of its investment objective. There is a risk that a portfolio's allocation among asset classes or investments will cause a portfolio to lose value or cause it to underperform other portfolios with similar investment objectives and/or strategies, or that the investments themselves will not produce the returns expected. Although a portfolio will pursue its objective by allocating investment risks across asset classes that may react differently to various market states, there is no guarantee that it will be successful. The portfolio manager may not correctly estimate expected returns, volatility and correlations of various asset classes, causing a portfolio's risk allocation methodology to fail to meet the portfolio's investment objective.

#### **Commodity-Related Investment Risk**

The value of commodities investments will generally be affected by overall market movements and factors specific to a particular industry or commodity, which may include demand for the commodity, weather, embargoes, tariffs, and economic health, political, international, regulatory and other developments. Exposure to commodities and commodities markets may subject the value of a portfolio's investments to greater volatility than other types of investments. Commodities investments may also subject a portfolio to counterparty risk and liquidity risk. A portfolio may make commodity-related investments through one or more wholly owned subsidiaries organized outside the U.S. that are generally not subject to U.S. laws (including securities laws) and their protections.

#### **Concentration Risk.**

A portfolio will concentrate its investments in issuers conducting business in a related group of industries within a sector(s) to approximately the same extent as an Index. Issuers in the same sector may be similarly affected by economic, regulatory, political or market events or conditions, which may make a portfolio more vulnerable to unfavorable developments in that sector than portfolios that invest more broadly. Generally, the more broadly a portfolio diversifies its investments, the more it spreads risk and potentially reduces the risks of loss and volatility.

#### **Counterparty Risk**

Counterparty risk is the risk that a counterparty to a transaction in a financial instrument held by a portfolio or by a special purpose or structured vehicle invested in by a portfolio may become insolvent or otherwise fail to perform its obligations. As a result, a portfolio may obtain no or limited recovery of its investment and any recovery may be significantly delayed.

#### **Derivatives Risk/Futures Contracts Risk**

A futures contract is an exchange-traded derivative transaction between two parties in which a buyer (holding the "long" position) agrees to pay a fixed price (or rate) at a specified future date for delivery of an underlying reference from a seller (holding the "short" position). The seller hopes that the market price on the delivery date is less than the agreed upon price, while the buyer hopes for the contrary. Certain futures contract markets are highly volatile, and futures contracts may be illiquid. Futures exchanges may limit fluctuations in futures contract prices by imposing a maximum permissible daily price movement. The portfolio may be disadvantaged if it is prohibited from executing a trade outside the daily permissible price movement. At or prior to maturity of a futures contract, the portfolio may enter into an offsetting contract and may incur a loss to the extent there has been adverse movement in futures contract prices. The liquidity of the futures markets depends on participants entering into offsetting transactions rather than making or taking delivery. To the extent participants make or take delivery, liquidity in the futures market could be reduced. Because of the low margin deposits normally required in futures trading, it is possible that the portfolio may employ a high degree of leverage in the portfolio. As a result, a relatively small price movement in a futures contract may result in substantial losses, exceeding the amount of the margin paid. For certain types of futures contracts, losses are potentially unlimited. Futures markets are highly volatile and the use of futures may increase the volatility of the portfolio. Futures contracts executed (if any) on foreign exchanges may not provide the same protection as U.S. exchanges. Futures contracts can increase the portfolio's risk exposure to underlying references and their attendant risks, such

as counterparty credit risk, market risk, foreign currency risk and interest rate risk, while also exposing it to correlation risk, counterparty risk, hedging risk, leverage risk, liquidity risk, pricing risk and volatility risk.

### **Emerging Market Securities Risk**

Securities issued by foreign governments or companies in emerging market countries are more likely to have greater exposure to the risks of investing in foreign securities that are described in Foreign Securities Risk. In addition, emerging market countries are more likely to experience instability resulting, for example, from rapid changes or developments in social, political, economic or other conditions. Their economies are usually less mature and their securities markets are typically less developed with more limited trading activity (i.e., lower trading volumes and less liquidity) than more developed countries. Emerging market securities tend to be more volatile, and may be more susceptible to market manipulation, than securities in more developed markets. Many emerging market countries are heavily dependent on international trade and have fewer trading partners, which makes them more sensitive to world commodity prices and economic downturns in other countries. ., and some have a higher risk of currency devaluations. Due to the differences in the nature and quality of financial information of issuers of emerging market securities, including auditing and financial reporting standards, financial information and disclosures about such issuers may be unavailable or, if made available, may be considerably less reliable than publicly available information about other foreign securities.

### **Environmental, Social and Governance Investing Risk**

The consideration of issuer environmental, social and corporate governance data may cause a portfolio to invest in, forego investing in, or sell securities of issuers, including issuers within certain sectors, regions, and countries that could negatively impact portfolio performance, including relative to a benchmark or other portfolios that do not consider ESG or portfolios that do but make different investment decisions based thereon.

### **Exchange-Traded Fund (ETF) Risk**

Investments in ETFs have unique characteristics, including, but not limited to, the expense structure and additional expenses associated with investing in ETFs. ETFs are subject to, among other risks, tracking risk, and passive, and in some cases, active investment risk. In addition, investors bear both a portfolio's expenses and indirectly the ETF's expenses incurred through a portfolio's ownership of the ETF. Due to the expenses and costs of an underlying ETF being shared by its investors, redemptions by other investors in the ETF could result in decreased economies of scale and increased operating expenses for such ETF. The ETFs may not achieve their investment objective.

### **Foreign Currency Risk**

The performance of a portfolio may be materially affected positively or negatively by foreign currency strength or weakness relative to the U.S. dollar, particularly if a portfolio invests a significant percentage of its assets in foreign securities or other assets denominated in currencies other than the U.S. dollar.

### **Geographic Focus Risk**

The portfolio may be particularly susceptible to economic, political, regulatory or other event s or conditions affecting issuers and countries within the specific geographic regions in which the portfolio invests. As a result, the portfolios may be more volatile than a more geographically diversified portfolio.

### **Geographic Focus Risk/Asia Pacific Risk**

A number of countries in the Asia Pacific region are considered underdeveloped or developing, including from a political, economic and/or social perspective, and may have relatively unstable governments and economies based on limited business, industries and/or natural resources or commodities. Events in any one country within the region may impact that country, other countries in the region or the region as a whole. As a result, events in the region will generally have a greater effect on the portfolio than if it were more geographically diversified in areas with more developed countries and economies. This could result in increased volatility in the value of the portfolio's investments and losses within the portfolio. Also, securities of some companies in the region can be less liquid than U.S. or other foreign securities, potentially making it difficult to sell such securities at a desirable time and price.

### **Global Economic Risk**

Global economies and financial markets are increasingly interconnected, which increases the possibility that conditions in one country or region might adversely impact issuers in a different country or region or across the globe. For instance, a significant slowdown in China's economy is adversely affecting worldwide commodity prices and the economies of many countries, especially those that depend heavily on commodity production and/or trade with China. The severity or duration of adverse economic conditions may also be affected by policy changes made by governments or quasi-governmental organizations. The imposition of sanctions by the United States or another government on a country could cause disruptions to the country's financial system and economy, which could negatively impact the value of securities.

*EuroZone.* A number of countries in the European Union (EU) have experienced, and may continue to experience, severe economic and financial difficulties. Additional EU member countries may also fall subject to such difficulties. These events could negatively affect the value and liquidity of the portfolios investments in euro-denominated securities and derivatives contracts, securities of issuers located in the EU or with significant exposure to EU issuers or countries. If the euro is dissolved entirely, the legal and contractual consequences for holders of euro-denominated obligations and derivative contracts would be determined by laws in effect at such time. Such investments may continue to be held, or purchased, to the extent consistent with the portfolio's

investment objective and permitted under applicable law. These potential developments, or market perceptions concerning these and related issues, could adversely affect the value of your investment in the portfolio.

Certain countries in the EU have had to accept assistance from supra-governmental agencies such as the International Monetary Fund, the European Stability Mechanism (the ESM) or other supra-governmental agencies. The European Central Bank has also been intervening to purchase Eurozone debt in an attempt to stabilize markets and reduce borrowing costs.

There can be no assurance that these agencies will continue to intervene or provide further assistance and markets may react adversely to any expected reduction in the financial support provided by these agencies. Responses to the financial problems by European governments, central banks and others including austerity measures and reforms, may not work, may result in social unrest and may limit future growth and economic recovery or have other unintended consequences. In addition, one or more countries may abandon the euro and/or withdraw from the EU. The impact of these actions, especially if they occur in a disorderly fashion, could be significant and far-reaching.

*Brexit.* Following the withdrawal by the UK from the EU, the UK and the EU entered a Trade and Cooperation Agreement (TCA) in 2021, which governs certain parts of the future relationship between the UK and the EU. The TCA does not provide the UK with the same level of rights or access to all goods and services in the EU as the UK previously maintained as a member of the EU. In particular, the TCA does not include an agreement on financial services. Accordingly, uncertainty remains in certain areas as to the future relationship between the UK and the EU. The uncertainty caused by the UK's departure from the EU, which occurred in January 2020, could lead to prolonged political, legal, regulatory, tax and economic uncertainty and wider instability and volatility in the financial markets of the UK and more broadly across Europe. It may also lead to weakening corporate and financial confidence in such markets as the UK renegotiates the regulation of the provision of financial services within and to persons in the EU and potentially lower economic growth in the UK, Europe and globally, which may adversely affect the value of an investment in a portfolio.

#### **Growth Securities Risk.**

Growth securities typically trade at a higher multiple of earnings than other types of equity securities. Accordingly, the market values of growth securities may never reach their expected market value and may decline in price. In addition, growth securities, at times, may not perform as well as value securities or the stock market in general, and may be out of favor with investors for varying periods of time. Growth securities may also be sensitive to movements in interest rates.

#### **Hedging Transactions Risk**

A portfolio may invest in securities and utilize financial instruments for a variety of hedging purposes. Hedging transactions may limit the opportunity for gain if the value of a portfolio position should increase. There can be no assurance that a portfolio will engage in hedging transactions at any given time, even under volatile market conditions, or that any hedging transactions a portfolio engages in will be successful. Moreover, it may not be possible for a portfolio to enter into a hedging transaction at a price sufficient to protect its assets. A portfolio may not anticipate a particular risk so as to hedge against it.

#### **Inflation Risk**

Inflation risk is the uncertainty over the future real value (after inflation) of an investment. Inflation rates may change frequently and drastically as a result of various factors, including unexpected shifts in the domestic or global economy, and a portfolio's investments may not keep pace with inflation, which may result in losses to investors.

#### **Leverage Risk**

Leverage risk is the risk that losses from the derivative instrument may be greater than the amount invested in the derivative instrument. Use of leverage can produce volatility and may exaggerate changes in a portfolio's value and in the return of a portfolio, which may increase the risk that a portfolio will lose more than it has invested. If a portfolio uses leverage, through the purchase of particular instruments such as derivatives, a portfolio may experience capital losses that exceed the net assets of a portfolio. Leverage can create an interest expense that may lower a portfolio's overall returns. Leverage presents the opportunity for increased net income and capital gains, but may also exaggerate a portfolio's volatility and risk of loss. There can be no guarantee that a leverage strategy will be successful.

#### **Preferred Stock Risk**

Preferred stock is a type of stock that generally pays dividends at a specified rate and that has preference over common stock in the payment of dividends and the liquidation of assets. Preferred stock does not ordinarily carry voting rights. The price of a preferred stock is generally determined by earnings, type of products or services, projected growth rates, experience of management, liquidity, and general market conditions of the markets on which the stock trades. The most significant risks associated with investments in preferred stock include issuer risk, market risk and interest rate risk (i.e., the risk of losses attributable to changes in interest rates).

#### **Regulatory Risk — Alternative Investments**

Legal, tax, and regulatory developments may adversely affect a portfolio and its investments. The regulatory environment for a portfolio and certain of its investments is evolving, and changes in the regulation of investment funds, their managers, and their trading activities and capital markets, or a regulator's disagreement with a portfolio's or others' interpretation of the application of certain regulations, may adversely affect the ability of a portfolio to pursue its investment strategy, its ability to

obtain leverage and financing, and the value of investments held by a portfolio. There has been an increase in governmental, as well as self-regulatory, scrutiny of the investment industry in general and the alternative investment industry in particular. It is impossible to predict what, if any, changes in regulations may occur, but any regulation that restricts the ability of a portfolio or any underlying funds or other investments to trade in securities or other instruments or the ability of a portfolio or underlying funds to employ, or brokers and other counterparties to extend, credit in their trading (as well as other regulatory changes that result) could have a material adverse impact on a portfolio's performance.

### **Sector Risk**

At times, the portfolio may have a significant portion of its assets invested in securities of companies conducting business in a related group of industries within an economic sector. Companies in the same economic sector may be similarly affected by economic, regulatory, political or market events or conditions, making the portfolio more vulnerable to unfavorable developments in that economic sector than portfolios that invest more broadly. The more a portfolio diversifies its investments, the more it spreads risk and potentially reduces the risks of loss and volatility.

### **Valuation Risk**

The sales price a portfolio could receive for any particular investment may differ from a portfolio's valuation of the investment, particularly for securities that trade in thin or volatile markets, securities not priced by independent pricing services, or that are valued using a fair value methodology that produces an estimate of the fair value of the security/instrument, which may prove to be inaccurate.

### **Volatility Risk.**

A portfolio may have investments that appreciate or decrease significantly in value over short periods of time. This may cause a portfolio to experience significant increases or declines in value over short periods of time, however, all investments, whether long- or short-term, are subject to risk of loss.

## **B) ADDITIONAL RISKS**

The following risk descriptions are designed to help clients anticipate some of the challenges and risks associated with the asset management industry today. Clients should speak with their consultants or other financial advisors for more information regarding these and other risks associated with making an investment. When we provide advisory services to a client, we are serving as an investment manager only with respect to those assets we manage and not with respect to the client's other assets or with an eye towards the client's overall financial situation.

### **Counterparty Arrangements**

We enter into many counterparty arrangements in connection with our asset management business. These arrangements support our trading, custody and investment activities, and some of the counterparties we use have relationships with our affiliates as well. Reliable counterparty arrangements and the ability to assess counterparty risks have become a critical part of our day-to-day operations and we endeavour to manage these risks in accordance with our fiduciary duty to clients. While we seek to manage these risks, exposure to counterparty failures, including bankruptcies and defaults, is sometimes unavoidable and can result in sudden and unanticipated shocks to our operations or investments resulting from the inability to carry out transactions or satisfy liquidity demands.

### **Cybersecurity Breaches, Systems Failure and Other Business Disruptions Risks**

A client portfolio and its service providers, including the Investment Manager and its affiliates (Ameriprise Financial, which is the Investment Manager's parent company (together with the Investment Manager, referred to herein as "**we, us and our**")), the client portfolio's custodian and other service providers, as well as all their underlying service providers (collectively, the "**Service Providers**"), are heavily dependent on their respective employees, agents and other personnel ("**Personnel**") and proprietary and third-party technology and infrastructure and related business, operational and information systems, networks, computers, devices, programs, applications, data and functions (collectively, "**Systems**") to perform necessary business activities. The Systems and Personnel that a client portfolio and the Service Providers rely upon may be vulnerable to significant disruptions and failures, including those relating to or arising from cybersecurity breaches (including intentional acts, e.g., cyber-attacks, hacking, phishing scams, unauthorized payment requests and other social engineering techniques aimed at Personnel or Systems, and unintentional events or activity), Systems malfunctions, user error, conduct (or misconduct) of or arising from Personnel, and remote access to Systems (particularly important given the increased use of technologies such as the internet to conduct business). The increased use of mobile and cloud technologies and remote work heighten these and other operational risks. In addition, other events or circumstances – whether foreseeable, unforeseeable, or beyond our control, such as acts of war, other conflicts, terrorism, natural disaster, widespread disease, pandemic or other public health crises – may result in, among other things, quarantines and travel restrictions, workforce displacement and loss or reduction in Personnel and other resources. In the above circumstances, a client portfolio and the Service Providers' operations may be significantly impacted, or even temporarily halted. A client portfolio's securities market counterparties or vendors may face the same or similar systems failure, cybersecurity breaches and other business disruptions risks.

Systems and Personnel disruptions and failures, particularly cybersecurity breaches, may result in (i) proprietary or confidential information or data being lost, withheld for ransom, misused, destroyed, stolen, released, corrupted or rendered unavailable, including personal client information (and that of beneficial owners), (ii) unauthorized access to Systems and loss of operational capacity, including from, for example, denial-of-service attacks (i.e., efforts to make network services unavailable to intended



users), and (iii) the misappropriation of client assets or sensitive information. Any such events could negatively impact Service Provider Systems and may have significant adverse impacts on our clients.

Systems and Personnel disruptions and failures and cybersecurity breaches may cause delays or mistakes in materials provided to clients and may also interfere with, or negatively impact, the processing of securities transactions, pricing of investments, and trading within our clients' portfolios, while causing or subjecting us to potential financial losses as well as additional compliance, legal, and operational costs. The third-party trading systems relied upon us (and generally much of the asset management and related industries) are vital to our everyday operations, and despite our and our trading system vendor's business continuity and recovery plans, such trading systems may fail or be disrupted, which could cause significant harm to our business and our clients. Such events could negatively impact our clients and affect the business, financial condition and performance or results of operations of us and the Service Providers.

The trend toward broad consumer and general public notification of Systems failures and cybersecurity breaches could exacerbate the harm to our clients and our and Service Provider business, financial condition and performance or results of operations. Even if we and the Service Providers successfully protect our respective Systems from failures or cybersecurity breaches, we may incur significant expenses in connection with our responses to any such events or compliance with evolving laws, as well as the need for adoption, implementation and maintenance of appropriate security measures. We could also suffer harm to our business and reputation if attempted or actual cybersecurity breaches are publicized. We and the Service Providers cannot be certain that evolving threats from cyber-criminals and other cyber-threat actors, exploitation of new vulnerabilities in our respective Systems, or other developments, or data thefts, System break-ins or inappropriate access will not compromise or breach the technology or other security measures protecting our respective Systems.

We routinely face and address evolving cybersecurity threats and have been able to detect and respond to these incidents to date without a material loss of client financial assets or information through the use of ongoing monitoring and continual improvement of our security capabilities and incident response manual. We have been threatened by phishing and spear phishing scams, social engineering attacks, account takeovers, introductions of malware, attempts at electronic break-ins, and the submission of fraudulent payment requests. Systems failures and cybersecurity breaches may be difficult to detect, may go undetected for long periods or may never be detected. The impact of such events may be compounded over time. Although we evaluate the materiality of all Systems failures and cybersecurity breaches detected, we may conclude that some such events are not material and may choose not to address them. Such conclusions may not prove to be correct.

Although we have established business continuity/disaster recovery plans and systems ("**Continuity and Recovery Plans**") designed to prevent or mitigate the effects of Systems and Personnel disruptions and failures and cybersecurity breaches, there are inherent limitations in Continuity and Recovery Plans. These limitations include the possibility that certain risks have not been identified, that Continuity and Recovery Plans might not – despite testing and monitoring – operate as designed, that Continuity and Recovery Plans may not be sufficient to stop or mitigate negative impacts, including financial losses, or that Continuity and Recovery Plans may otherwise be unable to achieve their objectives. We and our clients could be negatively impacted as a result. The widespread use of work-from-home arrangements, such as during the COVID-19 pandemic, may increase these risks. The Investment Manager and its affiliates have systematically implemented strategies to address the operating environment spurred by the COVID-19 pandemic and its operations teams seek to operate without significant disruptions in service. TINTL's Continuity and Recovery Plans take into consideration that a pandemic could be widespread and may occur in multiple waves, affecting different communities at different times with varying levels of severity. We cannot, however, predict the impact that natural or man-made disasters and conditions, including the COVID-19 pandemic (and its variants), may have on the ability of us and the Service Providers to continue ordinary business operations and technology functions over near- or longer-term periods. In addition, Columbia Management cannot control the Continuity and Recovery Plans of the Service Providers. As a result, there can be no assurance that we or our clients will not suffer financial losses relating to Systems or Personnel disruptions or failures or cybersecurity breaches affecting them or us in the future.

Systems and Personnel disruptions and failures and cybersecurity breaches may necessitate significant investment to repair or replace impacted Systems. In addition, we may incur substantial costs for risk management in connection with failures or interruptions of Systems, Personnel, Continuity and Recovery Plans and cybersecurity defense measures in order to attempt to prevent any such events or incidents in the future, which, if they should occur, may be prolonged, negatively impacting business operations.

Any insurance or other risk-shifting tools available to us in order to manage or mitigate the risks associated with Systems and Personnel disruptions and failures and cybersecurity breaches are generally subject to terms and conditions such as deductibles, coinsurance, limits and policy exclusions, as well as risk of counterparty denial of coverage, default or insolvency. While Ameriprise Financial and its affiliates maintain cyber liability insurance that provides both third-party liability and first-party liability coverages, this insurance may not be sufficient to protect us against all losses. In addition, contractual remedies may not be available with respect to Service Providers or may prove inadequate if available (e.g., because of limits on the liability of the Service Providers) to protect against all losses.

Stock and other market exchanges, financial intermediaries, issuers of, and counterparties to, a portfolio's investments and, in the case of ETFs, market makers and authorized participants, also may be adversely impacted by Systems and Personnel disruptions and failures and cybersecurity breaches, in their own businesses, subjecting them to the risks described here, as well as other additional or enhanced risks particular to their businesses, which could result in losses to a client portfolio. Issuers of securities or other instruments in which we invest may also experience Systems and Personnel disruptions and failures and cybersecurity breaches, which could result in material adverse consequences for such issuers, which may cause client portfolios' investment in such issuers to lose money.

**Implementation Risk**

Disorderly market conditions or periods of market stress may make it difficult or impossible for us to pursue an investment strategy or objective. During these periods, it may be difficult or impossible to buy or sell investments at certain prices or at all. Moreover, volatility or events associated with markets, sectors or issuers may make it difficult to implement certain policies and procedures designed to ensure equal treatment among client accounts. For example, while our trading procedures are designed to ensure equal treatment among all clients, volatility on any given day may cause clients to receive materially different prices on the same securities. This may create performance dispersions among accounts with the same or similar investment mandate.

**Issuer risk**

The risk that an issuer of a security may perform poorly, and therefore, the value of its securities may decline. This would negatively affect performance. Poor performance may be caused by poor management decisions, competitive pressures, breakthroughs in technology, reliance on suppliers, labor problems or shortages, corporate restructurings, fraudulent disclosures, natural disasters or other events, conditions or factors.

**Market Risk**

Refers to the possibility that the market values of securities or other investments will fall, sometimes rapidly or unpredictably, or fail to rise. Security values may fall or fail to rise because of a variety of factors affecting (or the market's perception of) individual companies (e.g., an unfavorable earnings report), industries or sectors, or the market as a whole, reducing the value of an investment. Accordingly, an investment could lose money over short or even long periods. The market values of securities also can be affected by changes or perceived changes in U.S. or foreign economies and financial markets, and the liquidity of these securities, among other factors. In general, equity securities tend to have greater price volatility than debt securities. In addition, common stock prices may be sensitive to rising interest rates, as the cost of capital rises and borrowing costs increase.

**No Guarantee of Performance**

All investments involve risk (the amount of which may vary significantly), and investment performance can never be predicted or guaranteed, even when employing very conservative strategies such as those employed by money market mutual funds or other accounts that seek preservation of capital. The market value of client assets will fluctuate due to market conditions and other factors, such as liquidity and volatility. The assumptions associated with certain investment strategies that are derived and tested over longer periods (e.g., quantitative strategies) may not be meaningful, and such strategies may demonstrate relative weakness, during periods of unprecedented market conditions, since, by definition, those conditions may not be reflected in any historical data or research conducted to create the strategies.

**Regulatory Risk – Banking**

Ameriprise Financial, the ultimate parent company of ours, is a savings and loan holding company and a financial holding company ("FHC") and therefore, along with its direct and indirect subsidiaries, subject to regulation and supervision by the Board of Governors of the Federal Reserve System (the "Federal Reserve") and to the provisions of, and regulations under, certain U.S. banking laws, such as the Homeowner's Loan Act, the Bank Holding Company Act (including the rules and regulations created thereunder, the "BHCA") and the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"). The BHCA and the Dodd-Frank Act (and other applicable banking laws, and their interpretation and administration by the appropriate regulatory agencies, including but not limited to the Federal Reserve) may restrict the transactions and relationships among Ameriprise Financial, its affiliates (including us) and our clients, and may restrict our investments, transactions and operations. For example, under the BHCA (including rules and regulations promulgated thereunder), positions held by Ameriprise Financial and its affiliates for client and proprietary accounts may need to be aggregated with positions held by clients of ours and our affiliates. The BHCA may also impose a cap on the amount of a position that may be held where such a cap otherwise would not exist or that is lower for us than it would be for an entity not subject to the BHCA. In this case, where the BHCA imposes a cap on the amount of a position that may be held, we may be required to limit or prevent the purchasing of additional shares that we otherwise would prefer to purchase. If there is an inadvertent breach and/or a change in the number of outstanding shares in an issuer, we also may be required to liquidate certain positions we otherwise would prefer to hold in order to comply with such limitation.

Under the BHCA, if we or an affiliate were deemed to "control" a fund managed by us, investments by such fund would be subject to limitations under the BHCA that are substantially similar to those applicable to Ameriprise Financial and its affiliates. Such limitations would place certain restrictions on the fund's investments in non-financial companies. These restrictions would include limits on the ability of the fund to be involved in the day-to-day management of the underlying non-financial company and the limitations on the period of time that the fund could retain its investment in such company. In addition, the fund, together with interests held by Ameriprise Financial and its affiliates, may be limited from owning or controlling, directly or indirectly, interests in third parties that exceed 5% of any class of voting securities or 25% of total equity of any security. These limitations may have a material adverse effect on the activities of the relevant fund.

The Dodd-Frank Act added Section 13 to the BHCA and its implementing regulations (together the "Volcker Rule") under which a "banking entity" (including us and our affiliates ) is restricted from acquiring or retaining an equity, partnership or other ownership interest in, or sponsoring, a "covered fund" (which is defined to include certain pooled investment vehicles) unless the investment or activity is conducted in accordance with an exclusion or exemption. The Volcker Rule's asset management exemption permits a banking entity, such as us, to invest in or sponsor a covered fund, subject to satisfaction of certain

requirements, which include, among other things, that a banking entity only hold a de minimis interest (no more than 3%) in the covered fund and that only directors and employees directly engaged in providing investment advisory or other qualifying services to the covered fund are permitted to invest. In addition, the Volcker Rule generally prohibits a banking entity from engaging in transactions that would cause it or its affiliates to have credit exposure to a covered fund managed or advised by its affiliates that would involve or result in a material conflict of interest between the banking entity and its clients, customers or counterparties or that would result, directly or indirectly, in a material exposure by the banking entity to high-risk assets or high-risk trading strategies. As a result, the Volcker Rule impacts the processes by which we and our affiliates seed, invest in and operate certain of its funds, including the Private Funds.

There can be no assurance that the bank regulatory requirements applicable to Ameriprise Financial and/or its affiliates will not change, or that any change will not have a material adverse effect on the investments and/or investment performance of our clients.

### **Resource Constraints**

Unfavorable market conditions and budget constraints may impact our ability to retain or attract talented employees or allocate resources as we otherwise would during periods of economic stability. Moreover, the inherent conflict of interest associated with certain arrangements (e.g., the receipt of research in exchange for client commissions) is heightened when our business is under pressure to reduce overhead expenses in response to market conditions that impact our revenues. While we may make resource, allocations designed to streamline or bring more efficiency to our operations during periods of economic stress, we will not compromise our fiduciary standards or compliance with our policies and procedures that are reasonably designed to prevent violations.

**Russia and Russia-related Investment Risk.** The Russian securities market is exposed to a variety of risks described above in “Emerging Market Securities Risk” not encountered in more developed markets. The Russian securities market is relatively new, and a substantial portion of securities transactions are privately negotiated outside of stock exchanges. The inexperience of the Russian securities market and the limited volume of trading in securities in the market may make obtaining accurate prices on portfolio securities from independent sources more difficult than in more developed markets.

Because of the recent formation of the Russian securities markets, the relatively underdeveloped state of Russia's banking and telecommunication systems and the legal and regulatory framework in Russia, settlement, clearing and registration of securities transactions are subject to additional risks. Prior to 2013, there was no central registration system for equity share registration in Russia and registration was carried out either by the issuers themselves or by registrars located throughout Russia. These registrars may not have been subject to effective state supervision or licensed with any governmental entity. In 2013, Russia established the National Settlement Depository (“NSD”) as a recognized central securities depository, and title to Russian equities is now based on the records of the NSD and not on the records of the local registrars. The implementation of the NSD is generally expected to decrease the risk of loss in connection with recording and transferring title to securities; however, loss may still occur. Additionally, issuers and registrars remain prominent in the validation and approval of documentation requirements for corporate action processing in Russia, and there remain inconsistent market standards in the Russian market with respect to the completion and submission of corporate action elections. To the extent that a portfolio suffers a loss relating to title or corporate actions relating to its portfolio securities, it may be difficult for a portfolio to enforce its rights or otherwise remedy the loss.

In addition, Russia also may attempt to assert its influence in the region through economic or military measures, as it did with Georgia in the summer of 2008 and Ukraine in 2014 and 2022. Russia launched a large-scale invasion of Ukraine in February 2022, significantly amplifying already existing geopolitical tensions. The extent and duration of the military action, the resulting sanctions or other punitive actions and the resulting future market disruptions, including declines in its stock markets, the value of Russian sovereign debt and the value of the ruble against the U.S. dollar, are impossible to predict, but have been and could continue to be significant. Any such disruptions caused by Russian military action or other hostile actions (including cyberattacks and espionage) or resulting actual and threatened responses to such activity, including potential widening of the scope of the conflict, purchasing and financing restrictions, potential suspension of trading Russian securities on stock exchanges, boycotts or changes in consumer or purchaser preferences, sanctions, tariffs or cyberattacks on the Russian government, Russian companies or Russian individuals, including politicians, have impacted and may continue to impact Russia's economy and Russian issuers of securities in which a portfolio invests. Actual and threatened responses to such military action have impacted, and may continue to impact the markets for certain Russian commodities, such as oil and natural gas, as well as other sectors of the Russian economy, and may likely have collateral impacts on such sectors globally. Further, several large corporations and U.S. states have announced plans to divest interests or otherwise curtail business dealings with certain Russian businesses.

Governments in the United States, Canada, the United Kingdom, the European Union and many other countries (collectively, the “Sanctioning Bodies”) have imposed broad-ranging economic sanctions, including banning Russia from global payments systems that facilitate cross-border payments, prohibiting certain securities trades and certain private transactions in the energy sector, asset freezes and prohibition of all business, against certain Russian individuals (including politicians) both inside Russia and globally, as well as Russian corporate and banking entities. The Sanctioning Bodies, and/or others, could also institute or threaten further sanctions, which may result in the decline of the value and liquidity of Russian securities, further downgrades in the credit ratings of Russia or Russian issuers, a further weakening of the ruble or other adverse consequences for the Russian economy. These sanctions may include the immediate freeze of Russian securities and/or funds invested in prohibited assets,

impairing the ability of a portfolio to buy, sell, receive or deliver those securities and/or assets. Sanctions may also result in Russia taking counter measures or retaliatory actions which may further impair the value and liquidity of Russian securities. For instance, in response to sanctions, the government of Russia imposed capital controls to restrict movements of capital entering and exiting the country and the Russian Central Bank suspended the sales of Russian securities by non-residents of Russia on its local stock exchange. Any market disruptions caused by Russian military action, resulting sanctions and/or counter measures or actions thereto may magnify the impact of other risks to a portfolio. Market events are rapidly evolving and present uncertainty and risk with respect to markets globally and the performance of a portfolio and its investments could be negatively impacted.

### **Segregated Account Advantages**

Investors in pooled vehicles may wish to consider the different levels of liquidity and transparency provided to segregated account owners pursuing the same investment strategy as a pooled vehicle. Greater visibility and access to underlying holdings could allow a segregated account holder to implement strategies (e.g., hedging techniques) that could prove disadvantageous to pooled fund vehicles or their investors. It is our current policy to seek representations from segregated account clients indicating that they are establishing and will be maintaining their accounts solely for the purpose of investing and not with a view to effecting securities transactions based upon such information or providing such information to another party.

### **Strategy-Specific Risks**

Clients should also consider risks associated with the investment mandate you have engaged us to implement. Each client should consider those risks in its decision to engage us and in connection with the client's overall investment program. A consultant or financial advisor engaged to evaluate a client's overall investment program can assist clients with an evaluation of risks associated with investment strategies.

**Terrorism, War, Natural Disaster and Epidemic Risk**

Terrorism, war, military confrontations and related geopolitical events (and their aftermath) have led, and in the future may lead, to increased short-term market volatility and may have adverse long-term effects on U.S. and world economies and markets generally. Likewise, natural and environmental disasters, such as, for example, earthquakes, fires, floods, hurricanes, tsunamis and weather-related phenomena generally, as well as widespread disease and virus outbreaks, epidemics and pandemics, have been and can be highly disruptive to economies and markets, adversely affecting individual companies, sectors, industries, markets, currencies, interest and inflation rates, credit ratings, investor sentiment, and other factors affecting the value of a portfolio's investments. Given the increasing interdependence among global economies and markets, conditions in one country, market, or region are increasingly likely to adversely affect markets, issuers, and/or foreign exchange rates in other countries, including the U.S. These disruptions could prevent a portfolio from executing advantageous investment decisions in a timely manner and negatively impact the portfolio's ability to achieve its investment objectives. Any such event(s) could have a significant adverse impact on the value and risk profile of a client portfolio.

**Withdrawal Risk**

A portfolio may need to sell securities to meet a client's cash withdrawal request. A portfolio could experience a loss when selling securities to meet such request if there is (i) significant selling activity in the market, (ii) a disruption in the normal operation of the markets in which a portfolio's securities are bought and sold, or (iii) the inability of a portfolio to sell securities because such securities are illiquid. In such events, the forced sale of securities at unfavorable prices in an effort to generate sufficient cash to pay a client seeking to withdraw funds from its account may create substantial losses.