

Form ADV Part 2A

CE INVESTMENT MANAGEMENT, LLC

9000 Cameron Parkway
Oklahoma City, OK 73114

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This brochure provides information about the qualifications and business practices of CE Investment Management, LLC ("CEIM"). If you have any questions about the contents of this brochure, please contact our Chief Compliance Officer, Jonathan Lee at 212.751.4422. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

Additional information about CEIM is also available on the SEC's web site at www.adviserinfo.sec.gov.

Registration of an investment adviser does not imply any level of skill or training.

Item 2—Material Changes

Since the previous version dated March 30, 2023, there are have been no material amendments. All clients of CEIM should read this brochure in its entirety.

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Item 4—Advisory Business

CEIM was founded in 2018 by William and Linda Cameron as part of the Cameron Enterprises group of Companies. CEIM was formed by centralizing the investment management activities previously performed in house by various affiliates throughout the Cameron Enterprises Group. CEIM is a limited liability company organized under the laws of Oklahoma, and a registered investment adviser with the Securities and Exchange Commissions (“SEC”) and is therefore subject to the Investment Advisers Act of 1940, as amended (“Advisers Act”). CEIM is wholly-owned by Cameron Enterprises A LP, which is ultimately owned by trusts controlled by William and Linda Cameron.

CEIM is primarily focused on fixed income and commercial mortgage loan investments and provides customized investment advice solely to affiliated companies within the Cameron Enterprises group of companies. In the future, CEIM may elect to advise outside clients.

CEIM’s Investment Strategy consists of the recommendation of fixed income assets, with a focus on liability matched investing for an insurance company general account, and originated commercial mortgage loans. We also oversee two external managers for private placements and one external manager focusing on collateral loan obligations (“CLO”s). Pursuant to CEIM’s investment management arrangements, clients may impose restrictions on CEIM’s ability to invest in certain securities or markets based on clients’ investment policy statements and other management agreements.

As of December 31, 2023, CEIM had approximately \$6,272,435,135 in regulatory assets under management on a discretionary basis.

Item 5—Fees and Compensation

Advisory Fees

As mentioned previously, CEIM provides services solely to affiliates under asset-based fee schedules.

Asset-based fees are calculated based on the value of a client’s portfolio at periodic measurement dates or over specified periods of time. The actual fee to be paid is negotiated with each client. In addition, as part of its investment management services, CEIM may recommend investment with outside third-party managers who provide a specialized investment service. Funds allocated to these managers will not be charged any additional fees for this service.

Payment of Fees

All clients are invoiced, and fees paid by the client directly. Asset-based fees are typically payable either monthly or quarterly in arrears.

We do not require or solicit clients to pay advisory fees in advance. If a client were to pay advisory fees in advance and the client’s advisory contract were to terminate before the end of a billing period, we would refund any unearned, prepaid fees on a pro rata basis.

Other Amounts Payable by Clients

Advisory fees are the only amounts payable by advisory clients to CEIM. Clients are generally responsible for other fees and expenses related to their accounts, including custodial fees, brokerage

fees and other transactions costs. (See **Item 12** below for a discussion of our policies regarding the selection of broker-dealers.) Investors in funds we manage typically bear additional expenses associated with the fund structures, such as administrator and other third-party service provider fees.

Other Compensation

Neither CEIM, nor our employees or supervised persons receive any compensation directly related to the sale of securities or other investment products. Certain components of the compensation of sales employees are determined based on the successful sales of our and our affiliates advisory services or interests in funds that we manage. Any such compensation would be payable by CEIM and not our clients or investors in the funds.

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

Performance-Based Fees

As described above in **Item 5**, we negotiate fees with our clients individually. At present, CEIM does not charge performance fees to any clients, but may do so in the future.

Side-by-Side Management of Accounts and Related Conflicts of Interest

CEIM does not receive any performance-based fees and therefore does not have any conflicts with regard to side-by-side management.

Item 7—Types of Clients

As mentioned previously, at the time of this filing, we provide investment advisory services to the following affiliated companies:

- American Fidelity Assurance Company (“AFA”),
- American Fidelity International (Bermuda), Ltd. (“AFIBL”),
- American Public Life Insurance Company (“APL”),
- American Fidelity Foundation (“AFF”),
- American Fidelity Corporation (“AFC”), and
- Cameron Family Foundation (“CFF”).

Minimum account sizes vary by investment strategy. We may waive these minimums at our discretion.

Our investment management or similar agreements with clients, which include investment guidelines, are negotiated to incorporate mutually acceptable terms. Under these agreements, clients may impose limitations on our investment discretion, such as restrictions regarding the investment in certain securities or types of securities.

In the future, CEIM may also provide investment advisory services to non-affiliates.

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

Methods of Analysis and Investment Strategies

Our research-based investment process integrates credit and structured products research, quantitative research, and risk management. CEIM may invest in the following asset types, depending upon the restrictions set forth by each client:

- Corporate Fixed Income
- Private Placements
- Commercial Mortgage Loans
- Leveraged Finance (including high yield and bank loans)
- Municipal fixed income
- Global-Indexed Multi-Sector
- Global Developed Markets and Emerging Markets
- Liquidity (including developed market government securities and agency mortgage-backed securities)
- US-Indexed Multi-Sector
- Short Term Investments
- Structured Products
- CLOs
- ETFs
- Mutual Funds
- Stocks
- Preferred Stocks
- Private Equity, Venture Capital, Real Estate and Mortgage/Credit/Direct Lending Funds

For certain of these asset types, CEIM may rely on third party investment managers, either through direct management of an investment portfolio as part of a subadvisory agreement, or indirectly through investment in one or more private investment vehicles. When researching third party investment managers, CEIM will perform due diligence and ongoing monitoring, including but not limited to, interviews with managers and client references, assess key man risk, review of risk controls, SOC1, and ESG policies, plus performance evaluation, position and position concentration monitoring.

When researching potential commercial loan investments, our research focuses on collateral quality and land value, tenancy with investment-grade status and borrowers with substantial financial strength and a long-term commitment to their property investments.

Our Investment Process

CEIM manages investment portfolios using a top-down and bottom-up investment process, with multiple levels of investment input from both internal and external resources. Portfolio construction draws upon the resources of CEIM and pursues client objectives within the constraints set by the client's asset liability matching requirements and investment policy.

CEIM manages fixed income portfolios using a process designed to generate value from a strategy which considers strategic asset allocation, duration, volatility, yield curve, spread curve and security selection. Each of these value-added components is analyzed within a framework encompassing fundamentals, market pricing, and market technical. Fundamental analysis includes the review of profitability, liquidity and leverage metrics, along with an assessment of the key drivers impacting an issuer's future credit profile.

Analysis focuses on industry and macro trends that impact an issuer, as well examining the state of financial markets and issuers' access to capital. Event risk and risk rating migration are monitored as well. Market pricing and technicals reflect liquidity and idiosyncratic events that portfolio managers evaluate as part of the overall investment decision process.

When the investment is managed by a subadviser or within a private investment vehicle, CEIM will monitor and oversee the third-party managed investment portfolio by tracking monthly and/or quarterly reports, review holdings, reconcile with investment accounting, monitor portfolio turnover, portfolio concentrations and monitor developments regarding changes of ownership or key personnel.

CEIM manages commercial loan investment portfolios by tracking monthly performance metrics, including payments received in accordance to the contractual terms. Loan closing metrics for new loans and total portfolio analytics are reported at least quarterly to our client investors.

Primary Risks Associated with Our Methodology and Strategies

Investing in securities and other financial instruments involves risk of loss that clients should be prepared to bear. Investment strategies may not achieve their performance objectives and may result in losses. We have summarized below certain important risks for clients and prospective clients to consider.

General Risks Related to Fixed Income Investments

Market Risks

Risk of Loss. The value of securities and other investments may move up or down, sometimes rapidly and unpredictably. Securities markets are volatile. A client account may at any point in time be worth less than its initial value. Regardless of how well an individual investment performs, if financial markets decline, a client account could lose money.

Interest Rate Risk. Debt securities can lose value because of interest rate changes. For example, debt securities tend to decrease in value if interest rates rise. Debt securities with longer maturities generally are more sensitive to interest rate changes than those with shorter maturities. In addition, short-term and long-term interest rates do not necessarily move in the same direction or by the same amount. Changes in interest rates can also cause certain types of debt obligations to become subject to prepayment risk and extension risk. These include securities such as mortgage-backed securities and bonds with embedded call or put options.

Credit Risk. The risk that the issuer of a security will not be able to make timely principal and interest payments.

Recovery Risk. The risk that a security holder may not recover some or all of its principal after a security has defaulted.

Spread Risk. Portfolio returns are affected by changes in the spreads over risk-free rates of the underlying sectors and assets. A portfolio that is systematically over weighted in spread product would lose value if spreads widen. This systematic risk is dependent on the portfolio's exposure to various fixed income asset classes with varying degrees of spread risk.

Currency Risk. Assets in our client accounts may be denominated or quoted in currencies other than the base (or share class) currency for the account. Accordingly, changes in currency exchange rates will affect the value of these client accounts. Generally, when the base (or share class) currency of an account rises in value versus another currency, assets denominated in a currency other than the base (or share class) currency lose value because that currency is worth less than the base (or share class) currency, and vice versa.

Issuer-Specific/Counterparty and Industry Credit Risk. The issuer, the guarantor or the insurer of a fixed income security, or the counterparty to a contract, may be unable or unwilling to make timely principal and interest payments or to otherwise honor its obligations. Additionally, securities could lose value due to a loss of confidence in the ability of the issuer, guarantor, insurer or counterparty to pay back debt. The longer the maturity and lower the credit quality of an instrument, the more likely its value will decline because of such a loss of confidence. From time to time, several issuers in a given industry may experience such difficulties simultaneously, making it difficult for issuers in that industry to roll-over obligations, to repay creditors or to obtain liquidity in the market.

Liquidity/Valuation/Turnover Risk. Assets in client accounts may, at any given time, include financial instruments for which no market exists, that are or become thinly traded, or that are not readily transferable under applicable securities laws. Liquidity can change without notice and without apparent reason. The sale of any thinly-traded or illiquid investments may be possible only at substantial discounts, if at all. Further, illiquid investments may be extremely difficult to value. Our investment strategies may include long-term purchases, short-term purchases, short sales or margin transactions. Frequent trading may result in higher transaction costs.

Prepayment and Extension Risk. Prepayment risk is the risk that a loan, bond or other security or investment might be called, prepaid or redeemed before maturity. In the case of mortgage- or asset-backed securities, as interest rates decrease or spreads narrow, the likelihood of prepayment increases. In the case of earlier than expected prepayment, our portfolio managers may not be able to invest the proceeds in other investments providing as high a level of income, resulting in a reduced yield. Prepayment risk may be amplified if the purchase price of a bond is greater than par. Conversely, extension risk is the risk that an unexpected rise in interest rates or spreads will extend the life of a mortgage- or asset- backed security beyond the manager's expectation, thus resulting in earning a lower yield for a longer period.

Call Risk. The risk that an issuer, during a period of falling interest rates, may redeem a security by repaying it prior to maturity. Income to the portfolio will be reduced if the proceeds from the redemption are reinvested at lower interest rates.

Non-U.S. Securities and Sovereign Risk. Investing in securities of certain developing and emerging market issuers may involve more risk than investing in securities of issuers from developed countries. Political, economic and legal systems may be less stable and more volatile than the corresponding systems in developed countries. Certain jurisdictions may impose restrictions on the ability of their issuers to make payments of principal and interest or dividends to investors located outside the country, due to blockage of foreign currency exchanges or otherwise. Investments in emerging markets are typically subject to greater volatility and price declines than investments in developed markets. In addition, investments in sovereign debt can involve a high degree of risk. A governmental entity's willingness or ability to repay principal and interest in a timely manner may be affected by, among other factors, its cash flow situation, the extent of its foreign reserves, the availability of sufficient foreign exchange on the date a payment is due, the relative size of the debt service burden to the economy as a whole, the governmental entity's policy towards the International Monetary Fund and the political constraints to which a governmental entity may be subject.

Securitized Products Risk. Securitized products are securities that are collateralized by, or linked to the performance of, pools of assets including commercial mortgage loans, residential mortgage loans, syndicated bank loans, credit card receivables, auto loans or other assets. Securitized products carry risks in varying degrees including credit risk, concentration risk, prepayment risk, interest rate risk, geographic concentration risk, the risk of poor performance due to adverse economic conditions, the risk of changes in the regulation of the consumer credit industry and price volatility. Securitized products are often not guaranteed by any governmental entity or other party and their payments may be contingent on the performance of assets that are not guaranteed. In

addition, global regulations may limit the securitized products that are eligible for certain client accounts.

Tax Risk. Dividends, interest and other amounts payable (including, without limitation, principal amounts) with respect to financial instruments and other funds held by a client may be subject to taxes, including withholding taxes. The effect of taxation will reduce the return on the relevant financial instrument. Where tax is withheld, clients may be able to recover the amount withheld or otherwise offset part or all of the amount withheld against the client's tax liability. However, there can be no assurance that any such recovery will be successful. The location of a client's custodian (or its nominee) may also impact the tax treatment and (where applicable) the process for recovery of tax withheld.

Tax laws and regulations, and their interpretation and application, may change from time to time, including with retroactive effect. Because of such changes, clients might incur unanticipated tax liabilities and/or may lose tax benefits previously attaching to financial instruments. As a result, the actual investment return may differ (potentially, significantly) from the expected return. Unless otherwise agreed in writing, we are not responsible for providing tax advice and are not responsible for and provide no guarantee or assurance with respect to the tax treatment of any financial instrument.

Inflation Risk. Portfolio investments may be adversely affected by inflation, including, without limitation, by government regulations and contractual arrangement. These effects may differ based on the type of investment, as certain issuers may earn more revenue, but will incur higher expenses; as inflation declines, while fixed income investments may decline in value by becoming less competitive relative to newer higher rate fixed-income instruments. Further, wages and prices increase during periods of inflation, which can negatively impact returns on investments, and increases in energy prices will have a ripple effect through the economy. In an attempt to stabilize inflation, countries may impose wage and price controls or otherwise intervene in the economy. Governmental efforts to curb inflation often have negative effects on the level of economic activity. There can be no assurance that inflation will not become a serious problem in the future and have an adverse impact on CEIM or investment returns.

Risks Related to CEIM's Investment Strategies

Management Risk. Each actively managed account is subject to management risk. We apply investment techniques and risk analyses in making investment decisions for actively managed accounts, but there can be no guarantee that these decisions will produce the desired results. The discussions of risk management in this brochure are intended to describe our efforts to monitor and manage risk but do not imply low risk.

Leverage Risk. Certain of our investment strategies employ various levels of leverage. The use of leverage exposes client accounts to additional levels of risk, including greater losses from investments than would otherwise have been the case if we had not borrowed to make the investments; margin calls or interim margin requirements which may force premature liquidations of investment positions; and losses on investments where the investment fails to earn a return that equals or exceeds the cost of borrowing such funds (including interest, transaction costs and other costs of borrowing).

Short Sale Risk. The sale of securities not owned by a client (short sales) involves certain additional risks. There is the risk that securities sold by a client account could become scarce or "special" in the financing markets. If a security becomes special, it may be very costly or even impossible to borrow to fulfill the delivery obligation of a short sale. A "short squeeze" could occur where an account might be compelled to purchase the shorted securities at a disadvantageous time, possibly at prices significantly more than the proceeds received in the earlier sale.

Derivatives Risk. Investments in derivatives can be used to hedge a portfolio's investments or seek to enhance returns. In implementing certain of our investment strategies, we may use derivatives as a substitute for taking a position in the underlying asset and/or as part of a strategy designed to manage exposure to other risks. We also may use derivatives to attain leverage, in which case their use would involve leverage. Derivatives involve specific risks that may reduce returns or increase volatility that may be different from, or greater than, the risks associated with investing directly in securities or other traditional investments. The prices of derivatives may move in unexpected ways, especially in abnormal market conditions. Derivatives risks include:

- Cleared and uncleared derivatives involve credit risk, which is the risk that the counterparty (or the exchange in the case of cleared derivatives) will not meet its obligations to our clients.
- Uncleared derivatives are subject to liquidity risk. Not only may a liquid secondary market not always exist for derivatives positions, but many uncleared derivatives will not have liquidity beyond the counterparty to the instrument.
- The use of derivatives for hedging purposes involves correlation risk. If the value of the derivative moves more than the value of the hedged instrument, a client account will experience a gain or loss that will not be completely offset by movements in the value of the hedged instruments, which means that a position may not be fully hedged during this time.
- Derivatives also involve the risk of mispricing or improper valuation.
- Futures, forward contracts, swaps, options and other derivative instruments also are subject to leverage risk because they contain inherent leverage wherever they provide more market exposure than the amount paid on the initiation of the transaction. As a result, a relatively small adverse market movement can not only result in the loss of the entire investment but may also expose a client to the possibility of a loss exceeding the original amount invested or committed.
- Derivatives also are potentially subject to currency risk, depending on the currency(is) being used and the underlying reference asset(s).
- In addition, many derivative products are subject to margin risk, as variation or other interim margin requirements may force premature liquidation of investment positions if there are not enough client assets to meet the margin requirement.
- U.S. and various non-U.S. regulators have adopted and are in various stages of implementing regulations governing derivatives markets, including mandatory clearing of certain derivatives, margin and reporting requirements. Amendment to these regulations and the adoption of additional requirements are likely to continue. The ultimate impact of the regulations remains unclear.
- Additional regulation of derivatives may make derivatives costlier, limit their availability or utility, increase concentration risk with exchanges that clear derivatives transactions, or otherwise adversely affect their performance or disrupt markets.

Model Risk. Some of our investment strategies and risk management processes utilize proprietary mathematical models. There is a risk that we may select models that are not well-suited to prevailing market conditions. In addition, models that have been formulated based on past market data may not be predictive of future price movements. Models may also have hidden biases or exposure to broad structural or sentiment shifts.

Securities Lending Risk. The primary risk of securities lending is the credit and market risk related to the re-investment of cash collateral. In addition, securities lending involves the risk that a counterparty will default on its obligation to return loaned securities, which is mitigated by the collateral posted by a counterparty.

Loan Origination and Credit Risks. CEIM engages in certain commercial loan origination activities and while loans and other assets purchased or originated on behalf of CEIM's clients will generally be collateralized, there is a risk of exposure to losses resulting from default. In addition, there is no (or only a limited) market for such loans, which will also be subject to legal or other restrictions on transfer. The valuation of such loans may fluctuate due to a variety of factors that are inherently difficult to predict, including, without limitation, changes in interest rates, prevailing credit spreads,

economic conditions, financial market conditions, domestic or international economic or political events, developments or trends in any particular industry and the financing condition of the obligors on investments.

Other Risks Related to Our Business

Risks Related to Regulation. Laws and regulations affecting our business change from time to time, and we are currently operating in an environment of significant global regulatory reform. We cannot predict the effects, if any, of future legal and regulatory changes on our business or the services we provide.

Certain Risks Related to Cybersecurity and Technology. Investment advisers, including CEIM, must rely in part on digital and network technologies to conduct their businesses and to maintain substantial computerized data relating to client account activities. These technologies include those owned or managed by us as well as those owned or managed by others, such as custodians, financial intermediaries, transfer agents, and other parties to which we or they outsource the provision of services or business operations.

Like all businesses that use computerized data, we and our affiliates and the systems we use may, under some circumstances, be subject to a variety of cybersecurity incidents or similar events that could potentially result in the inadvertent disclosure of confidential computerized data or client data to unintended parties, or the intentional misappropriation or destruction of data by malicious hackers mounting an attack on computer systems. We and our affiliates maintain an information technology security policy and certain technical and physical safeguards intended to protect the confidentiality of our internal data and take other reasonable precautions to limit the potential for cybersecurity incidents, and to protect data from inadvertent disclosure or wrongful misappropriation or destruction.

Nevertheless, despite reasonable precautions, cybersecurity incidents could occur, and might in some circumstances result in unauthorized access to sensitive information about us or our clients. In addition, such incidents might cause damage to client accounts, data or systems or affect account management.

Furthermore, these systems may fail to operate properly or become disabled because of events or circumstances wholly or partly beyond our or others' control. Technology failures, whether deliberate or not, including those arising from use of third-party service providers or client usage of systems to access accounts, could have a material adverse effect on our business or our clients and could result in, among other things, financial loss, reputational damage, regulatory penalties or the inability to transact business.

Risks Related to Catastrophes. Investment portfolios may be subject to the risk of loss arising from direct or indirect exposure to various catastrophic events, including the following: hurricanes, earthquakes, and other natural disasters; terrorism; and public health crises, including the occurrence of a contagious disease. To the extent that any such event occurs and has a material effect on global financial markets or specific markets in which the investment portfolios participate (or has a material effect on locations in which CEIM operates) the risks of loss can be substantial and could have a material adverse effect on investment value.

Political Risk. CEIM and portfolio investments could be adversely affected by changes in, or uncertainty surrounding, political events that are beyond their control or the control of CEIM. For example, the outbreak of hostilities in or involving the U.S., Western European countries or elsewhere, the death of a major political figure or similar occurrences may have significant adverse effects on investment results. Investments may be subject to changing political environments, regulatory restrictions, sudden overturn of established norms and changes in government

institutions and policies, any of which could adversely affect investments made by CEIM.

Russian Invasion of Ukraine. On February 22, 2022, the United States and several European nations announced sanctions against Russia in response to Russia's actions. On February 24, 2022, President Putin commenced a full-scale invasion of Russia's pre-positioned forces into Ukraine, which could have a negative impact on the economy and business activity globally, and therefore could adversely affect the performance of CEIM's investments. Furthermore, the conflict between the two nations and the varying involvement of the United States and other NATO countries could preclude prediction as to their ultimate adverse impact on global economic and market conditions, and, as a result, presents material uncertainty and risk with respect to the performance of investments. In response to the Russian invasion of Ukraine in February 2022, the European Union, the United States, the United Kingdom and other governmental entities have passed a variety of severe economic sanctions and export controls against Russia, including imposition of sanctions against Russia's Central Bank and largest financial institutions. In addition, a number of businesses have curtailed or suspended activities in Russia or dealings with Russian counterparts for reputational reasons. While current sanctions may not target the portfolio investments generally, these sanctions have had and may continue to have the effect of causing significant economic disruption and may adversely impact the global economy generally, and the Russian economy specifically by, among other things, creating instability in the energy sectors, reducing trade as a result of economic sanctions and increased volatility and uncertainty in financial markets, including Russia's financial sector. Additionally, any new or expanded sanctions that may be imposed by the U.S., EU, UK, or other countries may materially adversely affect CEIM's investments. Further, any sanctions might result in higher prices for gas, oil and other natural resources, which would result in higher costs and might also contribute to inflation, which may reduce discretionary consumer spending.

Risks Related to Conflicts of Interest

Like other investment advisers, we are subject to various conflicts of interest in the ordinary course of our business. We strive to identify potential risks, including conflicts of interest, that are inherent in our business, and we conduct annual conflict of interest reviews. When actual or potential conflicts of interest are identified, we seek to address such conflicts through one or more of the following methods:

- elimination of the conflict;
- disclosure of the conflict; or
- management of the conflict through the adoption of appropriate policies, procedures or other mitigants.

Various conflicts of interest are discussed throughout this document. Please review this information carefully and contact us if you have any questions.

We have adopted policies on business ethics, personal securities trading, and information barriers. Furthermore, CEIM has adopted a code of ethics (see **Item 11**), allocation policies and conflicts of interest policies, among others, and have adopted supervisory procedures to monitor compliance with our policies.

Item 9—Disciplinary Information

There have been no material legal or disciplinary events related to CEIM that are required to be disclosed pursuant to **Item 9**.

Item 10—Other Financial Industry Activities and Affiliations

As a wholly owned subsidiary of Cameron Enterprises, CEIM is part of a diversified, corporate organization. We are affiliated with many types of U.S. financial service providers, including insurance companies, broker-dealers, and other investment advisers. Other than as outlined in **Item 7 (Types of Clients)**, CEIM does not have any material business relationships with most of these affiliates.

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

Code of Ethics

We maintain a code of ethics as required by applicable SEC rules. Our code of ethics requires employees to conduct business in an honest and forthright manner in accordance with the highest of ethical standards. In addition, the code of ethics requires employees to put client interests ahead of our own and disclose actual and potential meaningful conflicts of interest. The code of ethics incorporates our information barrier and personal securities trading standards that are described in greater detail below. Our employees are required to report any violation of the code of ethics promptly.

A copy of our Code of Ethics is available upon request.

Information Barrier Standards

Our information barrier standards are designed to prevent the communication of material, non-public information across the various affiliates. Under these policies and procedures, an employee of CEIM, may not communicate material, non-public information to an employee of a CEIM affiliate without approval from the relevant compliance unit.

We maintain a restricted list of issuers about which we have material, non-public information. We may receive such information voluntarily or involuntarily. Our restricted list may limit investment opportunities available to our clients.

Personal Securities Trading Standards

We maintain personal securities trading standards that govern the trading activities of all officers and employees as well as their household members and dependents. Subject to certain limited exceptions, officers and employees are required to make periodic reports of their personal securities holdings and transactions, as well as preclearing any transactions in initial public offerings ("IPOs") or any private investments.

Item 12—Brokerage Practices

Factors Used in Selecting or Recommending Broker-Dealers

Counterparties

Transactions for client accounts are delivered with each payment transaction. In the event CEIM decides to use a counterparty to effect transactions for client accounts, all counterparties will be reviewed, approved and monitored by our credit research group.

Execution of Trades

We seek to execute transactions in client accounts at the most advantageous terms reasonably

attainable in the circumstances (i.e., we seek to achieve best execution). Factors that we may consider in seeking to achieve best execution include:

- the counterparty's execution and settlement capability (including factors such as timing and speed of execution);
- price;
- commission rates (including commission equivalents) and other transaction costs, if any;
- responsiveness and administrative cooperation of the counterparty;
- creditworthiness, reputation and financial responsibility of the counterparty;
- the counterparty's willingness to commit capital under certain circumstances;
- the counterparty's willingness to maintain confidentiality (e.g., not reveal details about our trades or trading patterns to other brokers or market participants);
- the counterparty's ability to execute large transactions and to limit the market impact of large transactions; and
- client direction/restriction or regulatory restrictions regarding the use of certain counterparties.

The applicability and importance of these factors will vary based on, among other things, the size, timing and nature of the transaction, the market in which it occurs, the number of counterparties capable of executing the transaction, the liquidity and other characteristics of the instrument being traded and market conditions.

Transactions may not always be executed at the best available price due to the consideration of relevant factors other than price and it is possible that our clients may pay transaction costs more than those which another firm might have charged for executing the same transaction.

Soft Dollars and Research Services

We do not engage in soft dollar or commission sharing arrangements at present.

Directed Brokerage

We do not recommend, request or require that clients direct us to execute transactions through a specified broker-dealer or other counterparty.

We do permit clients to direct the use of a particular broker-dealer or other counterparty for their account. Any such direction must be in writing or evidenced by our client's contract with the applicable counterparty. If a client directs us to use a particular counterparty:

- The client may pay higher prices or otherwise receive inferior execution, depending on its arrangements with the counterparty and upon other factors such as trading volume, the market for the security, and market-making capabilities of that particular counterparty;
- The client may lose the possible advantage which non-directing clients derive from the aggregation of orders for multiple clients as a single "batch" transaction, where we would, in some instances, be in a better position to negotiate pricing if the brokerage were not directed; and
- The client would be responsible for monitoring the creditworthiness of the counterparties it has selected.

Clients should evaluate the relative costs, advantages and disadvantages of directed brokerage when considering whether to direct us to use one or more specific counterparties. Similar considerations apply in instances where a client restricts the universe of eligible trading counterparties pursuant to investment guidelines or otherwise.

Trade Aggregation and Allocation

Our policy with respect to trade aggregation and allocation is to treat all client accounts fairly and

equitably over time.

Subject to the exception noted below, we aggregate and allocate all new issue orders among accounts with an appetite for the particular trade. While not required, we often aggregate secondary transactions. However, in many other cases, we may execute trades to meet the specific needs of a single account.

In determining the appropriate allocation of trades, CEIM will consider the following factors:

- an account's cash or liquid asset availability (including known or anticipated cashflows);
- maturity, quality, duration, or risk contribution represented by the security;
- existing holdings of each account;
- specific account and mandate objectives, guidelines and constraints;
- liquidity requirements;
- clients' brokerage relationships;
- de minimis allocation considerations based on criteria such as round lot provisions, minimum percentage of NAV or minimum transaction size; or
- any other portfolio construction considerations.

Our general practice is that all aggregated orders will be allocated at the time of the transaction, or as soon as possible thereafter, based on each account's appetite for the issue, including affiliated accounts. Order allocation is not based upon account performance, fee structure, or any proprietary interest that we or our affiliates may have in an account.

If less than an entire aggregated order is executed, each account may be cut back based on one of several methodologies approved by our compliance group and senior management, such as pro rata based on original order or position or duration weight relative to benchmark. In determining final allocations, we may also consider the factors described above with respect to the determination of individual account appetite.

Cross Trades

Cross trades involve the transfer, sale or purchase of assets from one client to another client without the use of a broker-dealer to affect the trades. We may engage in cross trading where permissible under applicable law, if we determine that such action would be beneficial to both clients and the conditions for the transaction are fair to both clients. Upon client request, direction or other limited circumstances, we may also engage in trades or transfers between two accounts owned by a client or affiliated clients using a broker-dealer to effect the trades or transfers.

Our Trade Error Policy

We maintain a trading and operational errors corrections policy that requires all errors covered under the policy to be corrected in a manner that is fair and reasonable. In the event of a loss in a client account resulting from an error for which we have concluded we are responsible, we will determine the amount of the loss, reimburse the client and notify the client of the error. Not all mistakes or other issues will be considered errors under the policy and not all errors will be considered compensable to the client.

An error may result in a gain or a loss to an account or accounts. Unless prohibited by applicable regulation or agreement with the client, we may net the client's gains and losses under circumstances that include, without limitation, where more than one transaction must be effected to correct an error (e.g., unwinding both components of a relative value trade), or there occurs a series of related errors with the same root cause. The calculation of the amount of any net impact will depend on the facts and circumstances of an error, and the calculation methodology may vary. In some cases, the net

impact will be as simple as the difference between the security purchase and sale prices. With respect to, for example, more complex errors or those continuing over a longer period of time, we may consider, among other factors, the performance during the period of the account, the account's benchmark, comparable securities, and/or the industry in which the security is included. Reimbursement is generally limited to direct losses and does not include any amounts we determine to be speculative or uncertain or that would result in an undue performance gain, or windfall.

To avoid potential errors in client accounts, our policy permits trades, where appropriate, to be cancelled or modified prior to settlement. In addition, our policy provides that a transaction in one client's account may be avoided through reallocation, prior to settlement, to another client's account, subject to certain conditions. Clients will not be notified if an error in their account is avoided through cancellation, modification or reallocation.

From time to time we may be required to evaluate facts and circumstances relating to our models or modeling processes. Errors may occur in the programming or implementation of investment models or other models that are applied to client accounts. When such errors are identified, we seek to understand the cause and determine the impact of the coding error. In certain cases, coding errors may not significantly impact the overall objective of the model or significantly influence an investment decision and will not be compensable to the client. Certain data received from external sources are inputs to our models and/or other investment processes. Issues resulting from inaccuracies in data received from external sources will generally not be considered errors.

Item 13—Review of Accounts

Periodic Review of Client Accounts

CEIM closely monitors portfolios on behalf of clients. CEIM portfolio managers and professional staff continually review and analyze portfolio performance, concentrations, duration, valuations and other relevant portfolio metrics.

Risk Management Reviews

CEIM portfolio managers are responsible for risk management on a daily basis. Additionally, CEIM formally reviews portfolio risks at least monthly with the CEIM Investment Committee and quarterly with both the AFC Investment Management Group and the AFC Investment Committee of the Board.

Additional Ongoing Review of Accounts

CEIM meets frequently with clients on an ad-hoc basis.

Reports to Clients

Reporting is customized to meet individual client needs.

Item 14—Client Referrals and Other Compensation

Other Compensation

We do not receive economic benefits from anyone who is not a client in connection with the advisory services we provide to our clients.

Client Referrals

We do not engage in providing client referrals to any other party. Similarly, we do not compensate any parties for the referral of client accounts. However, as noted, certain components of the compensation of sales employees is determined based on the successful sales of our and our affiliates advisory services or interests in funds that we manage.

Item 15—Custody

We generally do not take physical custody of the assets of our clients. Client assets are generally held in custodial accounts with banks, broker-dealers or other qualified custodians retained by our clients under arrangements negotiated by them.

Our clients will receive account statements from their custodians no less frequently than quarterly and should carefully review these statements.

Item 16—Investment Discretion

We typically have the discretionary authority to purchase and sell assets for client accounts. This authority is granted pursuant to a written investment management or similar agreement between the client and CEIM.

Our discretionary authority to manage client accounts is in all cases subject to the specific objectives, guidelines and limitations set forth in the applicable investment management agreement.

Item 17—Voting Client Securities

Proxy Voting

We do not generally accept the authority to vote proxies or engage in other solicitations on behalf of clients.

Class Actions

In addition to voting rights with respect to securities held in our clients' portfolios, there may be other rights associated with those securities, including the right or opportunity to participate in class actions.

We generally will not participate in class actions on behalf of clients.

Corporate Actions

In addition to voting rights and class actions, investors from time to time have the right to participate in corporate actions in relation to securities that they hold, such as an issuer's merger, tender offer, or dividend distribution. We typically participate in corporate actions on behalf of clients unless instructed otherwise, taking such action as we deem to be in the best interest of the clients' accounts and consistent with the investment strategy and objectives.

Item 18—Financial Information

CEIM is not required to include a balance sheet for its most recent fiscal year, is not aware of any financial commitment that impairs our ability to meet contractual and fiduciary commitments to our clients.