

# Conning Investment Products, Inc.

## Form ADV Part 2A

August 2018

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This Brochure provides information about the qualifications and business practices of Conning Investment Products, Inc. If you have any questions about the contents of this Brochure, please contact us at 860-299-2000 or at [robert.pearce@conning.com](mailto:robert.pearce@conning.com). 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.

Conning Investment Products, Inc. is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information to determine whether to hire or retain an Adviser.

Additional information about CIP is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 – Material Changes

None

We will provide you with a new Brochure at any time, without charge. Our Brochure may be requested by contacting our Chief Compliance Officer at 860-299-2151 or [robert.pearce@conning.com](mailto:robert.pearce@conning.com).

Additional information about **Conning Investment Products, Inc.** is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## **Item 4 – Advisory Business**

Conning Investment Products, Inc. (“CIP”) is a registered investment adviser with the Securities and Exchange Commission (“SEC”) under the Investment Advisers Act of 1940. CIP began conducting its SEC-registered investment advisory business in 2014. CIP is a wholly-owned subsidiary of Conning & Company. CIP is also registered with the Ontario Securities Commission (“OSC”) to service clients domiciled in Canada.

CIP specializes in managing fixed income investments on behalf of institutional and insurance company clients predominately domiciled in Canada. CIP offers a range of actively managed multi-sector strategies. As of December 31, 2017, CIP’s assets under management totaled approximately \$333 million, which are fully managed on a discretionary basis.

CIP provides investment services for diversified third party clients. CIP’s client base includes various insurance companies and institutional clients predominately domiciled in Canada.

### **Institutional Accounts**

CIP primarily provides fixed income investment management services to institutional clients in Canada. CIP only manages the assets which are the subject of its management agreement and does not consider the client’s other assets and other obligations. CIP receives authority to supervise and direct the investment of the assets on a discretionary basis in accordance with the clients’ written objectives and limitations as outlined in each individual client’s Investment Management Agreement. Clients may impose restrictions or limitations on investing in specific securities or specific types of securities.

### **Other Related Investment Management Services**

An affiliated registered investment adviser, Octagon Credit Investors, may act as a sub-adviser in relation to investment advice with respect to collateralized loan obligations (“CLO”s).

An outside sub-adviser is utilized when offering investment advice with respect to convertible bonds.

## **Item 5 – Fees and Compensation**

The Investment Management Agreement specifies the fees charged by CIP. All fees are subject to negotiation. Other charges, fees and commissions are in addition to CIP’s management fee. CIP’s fees do not include brokerage commissions, transaction fees, and other related costs and expenses which shall be paid by the client. CIP does

not receive any portion of these additional fees. For minimum account sizes, please refer to Item 7.

Some institutional and insurance company investment management clients incur other charges including charges imposed by custodians.

### **Institutional Accounts**

Asset management fees are determined based on contractual provisions and assets under management. Billing is generally conducted quarterly in arrears with the majority of asset management clients billed using a four period monthly average which adds together assets under management for the month that precedes the current calendar quarter for which the calculation is being made plus assets under management at the end of each month in the current calendar quarter, then dividing the sum by four. CIP does not deduct management fees from a client's account. Management fees are prorated for each capital contribution and withdrawal made during the applicable calendar quarter (with the exception of contributions and withdrawals made in the ordinary course of business, such as fees and expenses). Accounts initiated or terminated during a calendar quarter will be charged a pro-rated fee.

The fees charged for separately managed accounts are subject to negotiation and are based on the fair market value of the assets depending on the size of the account and strategy selected.

### Fixed Income Services and Fees:

Annual fees are based on fee schedules the components of which are generally within the range of 5 basis points to 50 basis points for institutional clients. CIP typically seeks a minimum dollar fee or a minimum mandate size.

### Incentive-Based Fees:

For certain types of clients and mandates, annual fees are calculated based on the income and capital appreciation of the account. Fees are generally a negotiated combination of fixed and incentive fees and are billed quarterly or semi-annually in arrears.

Accounts of this type are accepted only if all conditions of Rule 205-3 of the Investment Advisors Act of 1940 are met. Incentive-based fees are charged to clients as permitted by Rule 205 under the Advisors Act.

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

As we disclosed in Item 5 of this Brochure, CIP accepts performance-based fees from some clients. Such a performance-based fee is calculated based on a share of capital gains on or capital appreciation of the assets of the client.

Clients should be aware that performance-based fee arrangements could create an incentive to recommend investments which are riskier or more speculative than those which would be recommended under a different fee arrangement.

Furthermore, as we also have clients who do not pay performance-based fees, we could have an incentive to favor accounts that do pay such fees because the compensation we receive from these clients is more directly tied to the performance of their accounts.

CIP addresses such conflicts by ensuring that all clients receive fair and equitable transactions by bunching trades when applicable. One way this is monitored is by the performance of a daily trade recap review conducted by the Compliance Department. Our risk management area also performs an independent trade review on a daily basis to identify potential price differences between client transactions.

“Side-by-side management” refers to the simultaneous management of multiple types of client accounts and/or investment products. For example, Octagon Credit Investors, LLC., an affiliated registered investment adviser, manages the CLO accounts and Private Funds, which may follow similar, complementary or competing investment objectives, policies or strategies. Side-by-side management gives rise to a variety of potential and actual conflicts of interest for CIP and its employees and affiliates, including, as discussed below, the incentive to favor certain accounts with performance-based fees or accounts that generate multiple levels of fees (i.e., when fee earning clients invest in Octagon managed CLOs) or accounts in which Octagon and its related persons have a pecuniary interest. Employees of Octagon and CIP, including persons who serve on Octagon’s investment committees or act as portfolio manager to various clients, may invest in funds, or may take interests in a fund’s general partner and thus participate in the performance fees or “carried interest” paid to the general partner by that fund. Accordingly, Octagon, CIP, and their respective affiliates and personnel, including persons involved in the management of one or more clients, may have differing pecuniary interests with respect to different clients. These persons may have an incentive to favor those clients in which they have greater pecuniary interests. See Item 10 – *Other Financial Industry Activities and Affiliations*

### **Item 7 – Types of Clients**

As stated in Item 4, CIP provides primarily fixed income investment services for institutional third party clients. Our client base includes various Canadian domiciled insurance companies and institutional clients.

Regardless of client type, CIP typically seeks a minimum dollar fee or a minimum mandate size.

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

### FIXED INCOME:

CIP's fixed income investment approach is founded on the following:

- ❖ Firm-wide sector views provide top down influence on portfolio construction
- ❖ Issue selection driven by "fundamentals first" philosophy
- ❖ Strategy implementation combines portfolio needs/constraints with sector views and selection opportunities

Investing in securities involves risk of loss that clients should be prepared to bear.

**Investment Process:** CIP's investment process is built on a long-standing and disciplined philosophy, a team-based investment approach and a client relationship driven service model. Our staff brings a wealth of experience in both the investment and insurance areas. Through our customized approach, our clients benefit from our focus on optimizing performance, managing risk and meeting client needs.

**Philosophy:** We understand that our clients' portfolios have a purpose beyond the immediate challenge of producing investment returns. These portfolios also exist to support the businesses of our insurance clients. They provide cash flow for claims and benefits along with income for contract guarantees. They stand behind our client's surplus and financial strength. CIP's investment philosophy centers around four beliefs. These beliefs include four principles that are at the center of our investment approach.

#### Portfolio Management Principle

- ❖ Asset allocation provides greater opportunity to add value than interest rate anticipation - Emphasize asset allocation, sector rotation and security selection;
- ❖ The income component of bond returns is critical in the long run - Emphasize spread and income in portfolio holdings;
- ❖ Consistently predicting the future levels of interest rates is difficult - Control interest rate risk by prudent duration management;
- ❖ Excessive concentrations of risk are imprudent - Manage overall portfolio risk through asset diversification.

**Portfolio Construction:** Using a team approach, we design and implement portfolio construction through a disciplined allocation of resources focused on three areas of portfolio value: fundamental, relative and structural.

### Fundamental Value

Since any investment, particularly a fixed income security, represents a series of cash flows owed to the portfolio, we look for assurance that those cash flows are sustainable, both in amount and timing. Our credit and structured products analysts make such judgments and capsule their opinions in their official recommendations.

### Relative Value

Relative value determination falls to the trading desk, where traders apply their knowledge of trading histories, inter-market spreads, dealer inventories, and end-user portfolios to find and execute the best price.

### Structural Value

Portfolio managers are responsible for portfolio structure and ultimately determine how to construct and when to execute. This decision is based on the “best fit” for our client’s portfolio.

### Factors that drive this decision include:

- ❖ The existing and desired duration exposure, yield curve positioning, credit posture and liquidity requirements
- ❖ Concentrations of risk by sector and sub-sector, cash flow and volatility exposures and relevant accounting effects

**Tactical Asset Allocation:** Every month, CIP produces an investment outlook that serves as the top-down influence on portfolio construction. Asset class teams – including portfolio managers, analysts and traders – meet and formulate recommendations pertaining to duration, yield curve position and sector allocations. Then, our entire investment team reviews these recommendations. Following open discussion and debate, the investment team determines the official investment policy for the current month. CIP’s portfolio managers use this policy to drive asset class and sector allocations, as well as duration and yield curve positioning. We provide these conclusions to our clients in our monthly “Capital Markets Outlook.”

## **Risk Management**

**Credit Risk:** The risk that the issuer of a security will fail to pay interest or principal in a timely manner or that negative perceptions of the issuer’s ability to make such payments will cause the price of the security to decline. Debt securities rated below investment-grade are especially susceptible to this risk.

**Sector Risk:** The value of securities focused in a particular industry or market sector will be highly sensitive to financial, economic, political and other developments affecting



that industry or market sector, and conditions that negatively impact that industry or market sector will have a greater impact as compared to an account that does not have its holdings similarly concentrated.

**Interest Rate Risk:** The value of fixed income securities usually rise and fall in response to changes in interest rates. Declining interest rates generally increase the value of existing instruments, and rising interest rates generally decrease the value of existing instruments. Changes in value usually will not affect the amount of interest income, but will affect the value of shares. Interest rate risk is generally greater for investments with longer maturities.

Certain fixed income securities pay interest at variable or floating rates. Variable rate securities reset at specified intervals, while floating rate securities reset whenever there is a change in a specified index rate. The market prices of these securities could fluctuate significantly when interest rates change.

**Structured Risk:** These types of securities share many of the same risks. The impairment of the value of collateral or other assets underlying a mortgage-backed or asset-backed security, such as that resulting from non-payment of loans, results in a reduction in the value of such security and losses. Early payoffs in the loans underlying such securities result in receiving less income than originally anticipated. Securities with longer maturities tend to fluctuate in value more widely in response to changes in interest rates than shorter-term securities.

**Market and Economic Risk:** Investment value may decline due to changes in general economic and market conditions. A security's value held in an account may change in response to developments affecting entire economies, markets or industries, including changes in interest rates, political and legal developments, and general market volatility.

**Foreign Investing Risk:** Investing in securities of non-U.S. companies involves special risks and considerations not typically associated with investing in U.S. companies, and the values of non-U.S. securities are more volatile than those of U.S. securities. The values of non-U.S. securities are subject to economic and political developments in countries and regions, or where the securities are traded. Values could also be affected by restrictions on receiving the investment proceeds from a non-U.S. country.

**Emerging Market Risk.** The risks of foreign investments are generally greater in countries whose markets are still developing than they are in more developed markets. Emerging market countries typically have economic and political systems that are less fully developed, and can be expected to be less stable than those of more developed countries. Investments in emerging markets are considered speculative.

**Liquidity Risk:** Due to a lack of demand in the marketplace or other factors, an account may not be able to sell some or all of the investments promptly, or may only be able to sell investments at less than desired prices. Certain debt securities are substantially less liquid than many other securities.

**Risks Affecting Specific Issuers:** The value of an equity security or debt obligation may decline in response to developments affecting the specific issuer of the security or obligation, even if the overall industry or economy is unaffected. These developments may comprise a variety of factors, including but not limited to management issues or other corporate disruption, political factors adversely affecting governmental issuers, a decline in revenues or profitability, an increase in costs, or an adverse effect on the issuer's competitive position.

**Derivatives Risk:** CIP periodically buys or sells forwards or futures as long as they are consistent with the client investment guidelines. Derivatives involve risks associated with the securities or other assets underlying the derivatives, as well as risks different or greater than the risks affecting the underlying assets. Risk associated with the underlying assets include the inability or unwillingness of the other party to a derivative to perform its obligations to an account, an account's inability or delay in selling or closing positions in derivatives, and difficulties in valuing derivatives.

## Item 9 – Disciplinary Information

CIP and its management personnel do not have any disciplinary information to report.

## Item 10 – Other Financial Industry Activities and Affiliations

### Industry Affiliations & Activities

CIP is a wholly owned subsidiary of Conning & Company whose parent is Conning Holdings Limited which is a wholly-owned subsidiary of Cathay Life Insurance Co., Ltd., a Taiwanese company. A list of these affiliated entities is specifically disclosed on Schedule D of Form ADV, Part 1 at Item 7.B. (Part 1 of our Form ADV can be accessed by following the directions provided on the Cover Page of this Firm Brochure.)

CIP is an affiliate of Conning, Inc., Goodwin Capital Advisers, Inc. ("Goodwin"), Octagon Credit Investors, LLC., and Global Evolution, LLC., which are all registered investment advisers with the Securities and Exchange Commission ("SEC") under the Investment Advisers Act of 1940. Certain individuals will assume dual responsibilities within CIP and its affiliates in relation to Portfolio Management, Trading, IT, Legal, Board Members and other services. All individuals must adhere to our Code of Ethics, which is outlined in Item 11.

Conning, Inc., a direct affiliate, provides investment management and advisory services for Cathay Life Insurance Co., Ltd., which is a parent of Conning & Company.

CIP provides investment accounting and reporting services to investment advisory clients and has a separate department of employees that dedicate 100% of their time to this function.

### **Conflicts of Interest Associated with Affiliated Advisers and Other Business Activities**

Conning & Company owns a majority interest in Octagon. Octagon's investments generally consist of different investment asset classes from those that CIP generally invests in on behalf of their clients. Currently investment opportunities are generally not expected to overlap between Octagon and Conning clients. Octagon and Conning maintain separate investment committees which are responsible for making the investment decisions on behalf of each adviser's clients, in accordance with their investment strategies. Conning has appointed its CEO to serve as an observer with respect to Octagon's Investment Committee. As an observer, the CEO will have access to material nonpublic information ("MNPI") with respect to all issuers discussed and will be subject to strict firm policies and procedures regarding access to MNPI. This individual is not involved in the investment decision making process or portfolio management for Conning or any other affiliate.

#### *Material Nonpublic Information*

Discussions and interactions between Octagon and Conning personnel are subject to the compliance policies and procedures that have been implemented within and between their respective businesses, including the establishment of information barriers in order to mitigate the potential for any conflict of interest involving material nonpublic information concerning an issuer of securities or a borrower of bank loans. Also, certain Conning professionals may perform services for both Conning and Octagon, which involve access or the ability to access Octagon confidential information and MNPI, including for example, certain information technology employees with access to Octagon's network or data files. Such employees will be subject to Octagon's Code of Ethics and policies and procedures regarding MNPI.

Though unlikely, a breach or failure of information barriers between the firms could occur, which could result in clients of Conning being unable to engage in certain transactions they would otherwise find attractive, or being able to engage in such transactions only during limited periods of time. This could result in a client of Conning

not being able to acquire or sell an investment that it otherwise might have acquired or sold.

In an effort to manage possible risks from the inadvertent sharing of such information notwithstanding the barriers described above, both Octagon and Conning maintain a Code of Ethics program and provide training to supervised persons with respect to the receipt and handling of material nonpublic information. In addition, Octagon's and Conning's respective Chief Compliance Officers each maintain a list of restricted securities as to which Octagon and Conning may have access to material nonpublic information and in which certain clients are not permitted to trade. Nevertheless, notwithstanding the maintenance of restricted lists and other internal controls, it is possible that the internal controls relating to the management of material nonpublic information could fail and result in the Conning companies or one of its investment professionals, buying and selling a security while, at least constructively, in possession of material nonpublic information. Inadvertent trading on material nonpublic information could have adverse effects on Conning's reputation, result in the imposition of regulatory or financial sanctions, or Conning could be required to refrain from taking an investment action. Each of these could negatively impact Conning's ability to perform their investment management services on behalf of their clients.

Conning may decline to receive certain information available to loan market participants, which may include material non-public information about a loan issuer, in order to avoid trading restrictions with regard to securities of that issuer, even though access to such information may have been advantageous to a client investing in loans. Clients and investors may be adversely affected by such restrictions.

Conflict of interest within these interrelationships could include using the same vendor for different services.

### **Broker-Dealers**

CIP is dually registered as a broker-dealer. This entity is not used for client security transactions; however, it does offer affiliated and/or non-affiliated private placement funds to clients or other institutional prospects, if suitable.

CIP (broker-dealer) has entered into a placement agreement with Octagon and Global Evolution through which interests of proprietary Private Funds will be offered going forward. Placement fees will be paid out of existing management and incentive fees, and additional fees will not be imposed on the client or investor. To the extent permitted by a Private Fund's Governing Documents, expenses in connection with offering Private Fund interests, including those incurred by CIP, may be borne by the Private Funds. Certain Conning, Octagon and Global Evolution personnel are registered as representatives or principals of CIP, for purposes of offering Private Funds.

## **Item 11 – Code of Ethics, Participation or Interest in Client Transactions & Personal Trading**

CIP has a Code of Ethics describing its standard of business conduct and responsibility to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at CIP must accept the terms of the Code of Ethics on an annual basis, or sooner if amended.

The Code of Ethics prohibits employees from buying or selling a security (with certain exemptions) held in their personal account within three business days after a client account trades the same security. In addition, employees are required to hold a security for no less than 30 days after purchase.

CIP's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting the Chief Compliance Officer.

## **Item 12 – Brokerage Practices**

In the absence of specific written instructions in a client's investment management agreement, CIP has discretion in selecting brokers for client transactions.

CIP seeks best execution at the best price available for each trade. CIP also takes into consideration several factors, such as:

- ❖ the broker's ability to execute the trade;
- ❖ the size of the trade;
- ❖ characteristics of the security;
- ❖ the quality and reliability of brokerage services; and
- ❖ the overall direct net economic results to the account.

CIP also considers the availability of the broker to stand ready to execute possibly difficult transactions in the future, and the financial strength and stability of the broker.

CIP currently does not participate in soft dollar arrangements.

CIP does not receive client referrals from any broker.

CIP aggregates orders, when possible in accordance with client guidelines, for the purchase or sale of the same security for all participating accounts. When an order is filled in its entirety, each participating account receives their full allocation at the agreed upon trade execution price. When an order is partially filled, each participating account receives a pro rata allocation, at the agreed upon trade execution price, subject to certain exceptions including de minimis orders. Transaction costs are shared on a pro-rata basis for all participating accounts.

SEC Rule 206(3)-2 of the Investment Advisers Act of 1940 allows an investment adviser, under certain circumstances, to engage in inter-account transactions. If one client of an investment adviser is looking to sell a security in its portfolio and another client of the same investment adviser is looking to purchase that security, this rule permits the investment adviser to do a cross trade between the two accounts. The buy/sale must be at fair market value and with no commissions. CIP will only engage in these cross trades when advantageous to both clients and with prior approval from the Chief Compliance Officer. Cross transactions will not be conducted through an affiliated broker-dealer.

CIP does accept direction from clients regarding which brokers to use. Currently, all client-directed brokerage is subject to most favorable execution and best execution.

CIP's Best Execution Committee consists of members from Investment Management, Trading, Operations and Compliance. The Committee meets quarterly to set, guide and review brokerage allocation and practices. New brokers are reviewed and approved by the Chief Risk Officer and the Compliance Department.

CIP does direct the purchase of securities on behalf of clients, in secondary market transactions, in public offerings directly from an underwriter or in privately negotiated transactions with an issuer. Securities purchased in public offerings could be resold shortly after acquisition in the immediate aftermarket to take advantage of price appreciation from the public offering price or for other reasons. Short-term trading of securities acquired in public offerings, or otherwise result in higher portfolio turnover.

If consistent with a client's investment objectives, investment restrictions, and risk tolerance, CIP does purchase securities sold in underwritten new issues, ("deal securities") for client accounts. Deal securities are allocated among participating accounts in a fair and equitable manner so as not to unfairly discriminate in favor of certain clients or types of accounts. When a portfolio manager receives a reduced allocation of deal securities, the portfolio manager will allocate the reduced allocation among accounts in accordance with the allocation percentages set forth in the initial allocation instructions for the deal securities, except where this would result in de minimis allocation to any client account.

Equity and fixed income securities are priced on a daily basis when available from Conning's pricing vendor (Reuters/Markit). For month end portfolio pricing, Conning manually prices any security that is not priced by a vendor, using a pre-determined source hierarchy. When Reuters is unable to provide a price, Conning will look to Markit, SPSE (Standard and Poor's Security Evaluations), then the *Street* (i.e., brokers buying/trading/selling) to provide pricing. When a broker is unable to price a security, Barclay's Index pricing will be used. Conning's Credit and Trading Groups may research securities, particularly distressed securities, and if documented and justified for using a particular price level/method, that price will be used. Where pricing is not available from any 3<sup>rd</sup> party sources and sufficient information is available (via Bloomberg or other documentation) to model the security on Yieldbook, it is modeled using the best available indicative information. Conning will then use the Corporate Spread Matrix to provide a spread and apply to Yieldbook. If we are not able to price using the Spread Matrix, a Bloomberg price will be used, if available. Finally, when no information is available, we will use the prior month price adjusted based on the price return of a pre-determined index. When these analytic methods cannot be used and no information is available, Conning will use the prior month price as a last resort. Also, depending on the availability and timeliness of supporting documentation, the purchase price is used if/when it has been purchased within the month as this price represents an actual transaction price. Where the purchase was made closer to the beginning of the month there is greater emphasis on identifying a source from the hierarchy. Where supporting documentation is not available the purchase price is used.

Additionally, the supervisory team responsible for best execution quality standards meets quarterly and reviews transactions against all CIP-priced valuations; variances of 5% or more must be explained and documented.

CIP could give advice, or take action, with respect to any one client account which differs from the advice given, or action taken, with respect to another client account. However, CIP, to the extent practical and over a period of time, allocates investment opportunities to each account on a fair and equitable basis relative to other similarly-situated client accounts based on client guidelines and cash availability.

As in any business, mistakes do happen despite the good intentions of employees and the controls in place. CIP will correct trading errors in a timely and appropriate manner.

### **Item 13 – Review of Accounts**

On an on-going basis, CIP's portfolio managers conduct a review of their investment management clients' portfolios to monitor performance and to ensure compliance with



client investment guidelines and restrictions. A separate independent Risk Management Group monitors portfolio compliance, pricing, performance, credit risk, and other risk factors daily (transaction review, pre-trade compliance), weekly (credit review), and monthly (pricing, post-trade compliance reports, performance vs. benchmark).

CIP will provide all clients written reports on a quarterly basis. Reports include market commentary, account performance, portfolio-related characteristics, appraisal and transactions. CIP will provide reports on a more frequent basis if requested.

#### **Item 14 – Client Referrals and Other Compensation**

CIP has entered into referral agreements with affiliated entities, whereby CIP provides compensation (a portion of management fees received) to affiliates in the event that an affiliate refers a client to CIP and vice versa.

CIP currently has no solicitor or referral arrangements with unaffiliated entities; however, CIP does compensate employees with a fee for referring accounts to the firm.

#### **Item 15 – Custody**

CIP does not have custody of client funds or securities. Clients receive at least quarterly, statements from the broker dealer, bank or other qualified custodian that holds and maintains the client's investment assets. CIP urges clients to carefully review those statements and compare official custodial records to the account statements that CIP provides to clients as noted in Item 13. On occasion, CIP's statements vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

#### **Item 16 – Investment Discretion**

CIP typically receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities bought or sold. In all cases, however, such discretion is exercised in a manner consistent with the stated investment objectives in the investment management agreement for the particular client account.

When selecting securities and determining amounts, CIP observes the investment policies, limitations and restrictions as outlined in the clients investment management agreement.

#### **Item 17 – Voting Client Securities**

CIP generally does vote proxies on behalf of clients who contract this service via their investment management agreement. CIP utilizes the services of an outside proxy voting



firm in order to vote on the client's behalf. Votes are cast in accordance with pre-determined guidelines provided by CIP which are based upon the clients' best interests. Clients can obtain a copy of our complete proxy voting policies and procedures or how their proxies were voted by contacting us by telephone, email, or in writing.

A situation where CIP's interest would be directly in conflict with that of a client when voting a proxy is when the issuer of the security is an insurance company that is either a client or potential client of CIP. In that interest, it is conceivable that CIP could be tempted to vote a proxy in line with management's interest rather than shareholders' interest, in order to obtain favorable treatment from company decision makers who have the ability to hire or retain CIP as an investment adviser.

With respect to ERISA accounts, we will vote proxies unless the plan documents specifically reserve the plan sponsor's right to vote proxies. To direct us to vote a proxy in a particular manner, clients should contact their portfolio manager.

Under no circumstances will CIP act on behalf of its clients in legal proceedings, including class actions or bankruptcies involving securities purchased or held in the client account, other than with respect to bankruptcies involving private placement securities where such services have been retained by a client. If desired, clients may direct us to transmit copies of class action notices to the client or a third party. Upon such direction, we will make commercially reasonable efforts to forward such notices in a timely manner.

## **Item 18 – Financial Information**

CIP has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

# Conning Investment Products, Inc.

## Form ADV Part 2B Brochure Supplement

August 2018

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### Linwood (“Woody”) E. Bradford Jr., CFA President & Chief Executive Officer

This Brochure Supplement provides information about Linwood Bradford that supplements the Conning Investment Products, Inc. (“CIP”) Brochure. You should have received a copy of that Brochure. Please contact us at us at 860-299-2151 or at [robert.pearce@conning.com](mailto:robert.pearce@conning.com) if you did not receive CIP’s Brochure or if you have any questions about the contents of this supplement.

#### **Item 2- Educational Background and Business Experience**

Linwood Bradford (b. 1967) obtained his Master of Business Administration as a Baker Scholar from Harvard Business School in 1993 and his Bachelor of Science Degree in Chemistry from Worcester Polytechnic Institute in 1989 where he graduated with High Distinction. Mr. Bradford has been with CIP since February 2010 and is the President & Chief Executive Officer. Previously, Mr. Bradford was an Operating Partner for Advent International from January 2009 to February 2010; and a Managing Director for Putnam Investments where he worked from July 1996 to July 2008.

Mr. Bradford earned his Chartered Financial Analyst (CFA) designation in 2011. The CFA charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute – the largest global association of investment professionals. There are currently more than 90,000 CFA charterholders working in 135 countries. To earn the CFA charter, candidates must: 1) pass three sequential, six hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct, enforced through an active professional conduct program, require CFA charterholders to:

- ❖ Place their clients' interests ahead of their own
- ❖ Maintain independence and objectivity
- ❖ Act with integrity
- ❖ Maintain and improve their professional competence
- ❖ Disclose conflicts of interest and legal matters

Passing the three CFA exams is a difficult feat that requires extensive study. Earning the CFA charter demonstrates mastery of many of the advanced skills needed for investment analysis and decision making in today's quickly evolving global financial industry. As a result, employers and clients are increasingly seeking CFA charterholders - often making the charter a prerequisite for employment. Additionally, regulatory bodies in 19 countries recognize the CFA charter as a proxy for meeting certain licensing requirements, and more than 125 colleges and universities around the world have incorporated a majority of the CFA Program curriculum into their own finance course.

The CFA Program curriculum provides a comprehensive framework of knowledge for investment decision making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA Program test a proficiency with a wide range of fundamental and investment topics, including ethical and professional standards, fixed-income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning.

The CFA Program curriculum is updated every year by experts from around the world to ensure that candidates learn the most relevant and practical new tools, ideas, and investment and wealth management skills to reflect the dynamic and complex nature of the profession. To learn more about the CFA charter, visit [www.cfainstitute.org](http://www.cfainstitute.org).

### **Item 3- Disciplinary Information**

Mr. Bradford does not have any disciplinary information to report.

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#### **Item 4- Other Business Activities**

Mr. Bradford is the President and Chief Executive Officer of Conning, Inc. and the Chief Executive Officer of Goodwin Capital Advisers, Inc. He is also the Chairman of the Board of Managers for Octagon Credit Investors, LLC., all affiliated SEC registered investment advisers.

Mr. Bradford is also a member of the Board of Directors of several foreign domiciled CIP affiliates.

Mr. Bradford serves as a member of the Worcester Polytechnic Institute Board of Trustees.

He is also a registered representative of CIP which is utilized as a placement agent for alternative investments offered to affiliated and non-affiliated clients which a commission is paid to CIP for services rendered.

#### **Item 5- Additional Compensation**

Compensation paid includes commission or bonuses based on placement fees earned. While Mr. Bradford endeavors at all times to put the interest of the clients first as part of our fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and could affect the judgment of this individual when making recommendations. All placement fees are disclosed to the client prior to investing.

#### **Item 6 - Supervision**

CIP has a continuing responsibility to adhere to the Advisers Act, including the supervision of, and the responsibility for, portfolio managers and anyone acting on behalf of CIP to read, understand and attest to comply with the policies and procedures located within CIP's Compliance Policies and Procedures Manual.

Mr. Bradford reports directly to CIP's Board of Directors.

# Conning Investment Products, Inc.

## Form ADV Part 2B Brochure Supplement

August 2018

One Financial Plaza  
Hartford, CT 06103  
860-299-2203  
[www.conning.com](http://www.conning.com)

## Andrew Pace Managing Director

This Brochure Supplement provides information about Andrew Pace that supplements the Conning Investment Products, Inc. ("CIP") Brochure. You should have received a copy of that Brochure. Please contact us at us at 860-299-2151 or at Robert.Pearce@conning.com if you did not receive CIP's Brochure or if you have any questions about the contents of this supplement.

### Item 2- Educational Background and Business Experience

Andrew Pace (b. 1966) obtained his Master of Business Administration Degree in Finance from RPI in 1997 and a Bachelor of Arts Degree in Economics from The University of Connecticut in 1988. Mr. Pace has been with CIP since 1995 and is a Managing Director.

### Item 3- Disciplinary Information

Mr. Pace does not have any disciplinary information to report.

#### **Item 4- Other Business Activities**

Mr. Pace is a Managing Director and Portfolio Manager of Conning, Inc., an affiliated SEC registered investment adviser.

#### **Item 5- Additional Compensation**

Mr. Pace does not have any additional compensation.

#### **Item 6 - Supervision**

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Mr. Pace is supervised by Michael Haylon, Head of Conning North America. Mr. Haylon may be reached at 860-299-2266.

# CONNING INVESTMENT PRODUCTS, INC.

## Form ADV Part 2B

### Brochure Supplement

August 2018

One Financial Plaza  
Hartford, CT 06103  
860-299-2210  
[www.conning.com](http://www.conning.com)

## Daniel Mainolfi, CFA Managing Director

This Brochure Supplement provides information about Daniel Mainolfi that supplements the Conning Investment Products, Inc.'s ("CIP") Brochure. You should have received a copy of that Brochure. Please contact us at us at 860-299-2151 or at [robert.pearce@conning.com](mailto:robert.pearce@conning.com) if you did not receive CIP's Brochure or if you have any questions about the contents of this supplement.

### **Item 2- Educational Background and Business Experience**

Daniel Mainolfi (b. 1963) obtained his Bachelor of Science Degree in Finance & Investments from Babson College in 1985. Mr. Mainolfi has been with CIP since 1992 and is a Managing Director.

Mr. Mainolfi earned his Chartered Financial Analyst (CFA) designation in 1990. The CFA charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute – the largest global association of investment professionals. There are currently more than 90,000 CFA charterholders working in 135

countries. To earn the CFA charter, candidates must: 1) pass three sequential, six hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct, enforced through an active professional conduct program, require CFA charterholders to:

- ❖ Place their clients' interests ahead of their own
- ❖ Maintain independence and objectivity
- ❖ Act with integrity
- ❖ Maintain and improve their professional competence
- ❖ Disclose conflicts of interest and legal matters

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### **Item 3- Disciplinary Information**

Mr. Mainolfi does not have any disciplinary information to report.

### **Item 4- Other Business Activities**

Mr. Mainolfi does not have any other business activities.

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### **Item 5- Additional Compensation**

Mr. Mainolfi does not have any additional compensation.

### **Item 6 - Supervision**

CIP has a continuing responsibility to adhere to the Advisers Act, including the supervision of, and the responsibility for, portfolio managers and anyone acting on behalf of CIP to read, understand and attest to comply with the policies and procedures located within CIP's Compliance Policies and Procedures Manual.

Mr. Mainolfi is supervised by Michael Haylon, Head of Conning North America. Mr. Haylon may be reached at 860-299-2266.