

CITIGROUP GLOBAL MARKETS INC.

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SMITH BARNEY'S Consulting Group Portfolio Management Group

This brochure provides clients with information about Citigroup Global Markets Inc., its Smith Barney division and Investment Advisory Services group, including its Consulting Group, its Portfolio Management Group, and the following investment management, consulting and monitoring programs and services they offer:

- Fiduciary Services—Unaffiliated Manager Program
- Fiduciary Services—Legg Mason Manager Program
- Consulting Group Select Portfolios
- Consulting Group Select ETF Allocations
- Consulting Group Select UMA
- Integrated Investment Services
- Consulting and Evaluation Services Program
- Investment Management Services Program
- Alternative Investments Programs
- Institutional Services Program
- Fiduciary Asset Management
- Portfolio Management Program
- Guided Portfolio Management Program
- Exchange Traded Funds Program
- Strategic Portfolios

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Table of Contents

INTRODUCTION	1
FIDUCIARY SERVICES —UNAFFILIATED MANAGER PROGRAM	1
<i>Services Provided.....</i>	<i>1</i>
<i>Establishment of Client Objectives.....</i>	<i>2</i>
<i>Evaluation and Selection of Investment Management Firms.....</i>	<i>2</i>
<i>Account Information</i>	<i>2</i>
<i>Fees</i>	<i>2</i>
FIDUCIARY SERVICES —LEGG MASON MANAGER PROGRAM.....	4
<i>Services Provided.....</i>	<i>4</i>
<i>Evaluation and Selection of Investment Management Firms.....</i>	<i>4</i>
<i>Fees</i>	<i>4</i>
CONSULTING GROUP SELECT PORTFOLIOS	5
<i>Services Provided.....</i>	<i>5</i>
<i>Account Information</i>	<i>6</i>
<i>Fees</i>	<i>6</i>
CONSULTING GROUP SELECT ETF ALLOCATIONS	6
<i>Services Provided.....</i>	<i>7</i>
<i>Account Information</i>	<i>7</i>
<i>Fees</i>	<i>7</i>
CONSULTING GROUP SELECT UMA	8
<i>Services Provided.....</i>	<i>8</i>
<i>Account Information</i>	<i>10</i>
<i>Fees</i>	<i>10</i>
INTEGRATED INVESTMENT SERVICES	11
<i>Services Provided.....</i>	<i>11</i>
<i>Smith Barney Advisor.....</i>	<i>12</i>
<i>Smith Barney Advisor Fees.....</i>	<i>14</i>
<i>Additional Smith Barney Advisor Fee Information</i>	<i>14</i>
CONSULTING AND EVALUATION SERVICES	14
<i>Services Provided.....</i>	<i>15</i>
<i>Recommendation of Investment Management Firms</i>	<i>15</i>
<i>Account Information</i>	<i>15</i>
<i>Fees</i>	<i>15</i>
INVESTMENT MANAGEMENT SERVICES PROGRAM.....	16
<i>Services Provided.....</i>	<i>16</i>
<i>Account Information</i>	<i>16</i>
<i>Fees</i>	<i>16</i>
ALTERNATIVE INVESTMENTS PROGRAMS	17
<i>Services Provided.....</i>	<i>17</i>
<i>Special Considerations.....</i>	<i>18</i>
<i>Fees</i>	<i>18</i>
INSTITUTIONAL SERVICES PROGRAM.....	18
<i>Services Provided.....</i>	<i>18</i>
<i>Fees</i>	<i>19</i>
Alternative Investments Performance Reporting Service Provided by CGM	20
INSTITUTIONAL SERVICES PROGRAM – For Participant Directed Retirement Plans	21
<i>Services Provided.....</i>	<i>21</i>

<i>Fees</i>	21
FIDUCIARY ASSET MANAGEMENT PROGRAM	21
<i>Services Provided</i>	22
<i>Account Information</i>	22
<i>Fees</i>	23
PORTFOLIO MANAGEMENT PROGRAM	23
<i>Services Provided</i>	23
<i>Account Information</i>	24
<i>Fees</i>	24
GUIDED PORTFOLIO MANAGEMENT PROGRAM	25
<i>Services Provided</i>	25
<i>Account Information</i>	25
<i>Fees</i>	25
EXCHANGE TRADED FUNDS PROGRAM	26
<i>Services Provided</i>	26
<i>Account Information</i>	26
<i>Fees</i>	26
STRATEGIC PORTFOLIOS	27
<i>Services Provided</i>	27
<i>Strategic 10 Portfolios</i>	27
<i>Strategic 10/A+ Portfolios</i>	27
<i>Fees</i>	27
CGM'S ROLE AS OVERLAY MANAGER	27
<i>Implementation and Coordination Services Provided</i>	28
<i>Types of Investments, Methods of Analysis, Sources of Information and Investment Strategies</i>	28
<i>Error Policy</i>	29
<i>Certain Tax Considerations</i>	29
GENERAL ACCOUNT INFORMATION	30
<i>Client Information</i>	30
<i>Education</i>	30
<i>Account Review and Supervision</i>	30
<i>Assignment of Portfolio Managers</i>	30
<i>Research in Advisory Programs</i>	30
<i>Opinion Research</i>	31
<i>Access Research</i>	31
<i>Watch Policy</i>	31
<i>Mutual Funds in Advisory Programs</i>	32
<i>Proxy Voting for Accounts Invested in Strategic Portfolios</i>	33
<i>Additional Information Regarding Fees and Charges</i>	35
<i>Execution of Transactions When CGM is the Overlay Manager</i>	37
<i>Compensation from Funds</i>	39
<i>Termination</i>	39
ABOUT CITIGROUP GLOBAL MARKETS INC.	39
<i>Compensation Paid to CGM</i>	40
<i>Code of Ethics</i>	40
<i>Potential Conflicts of Interest</i>	41
<i>Trade Allocations</i>	44
<i>Aggregation of Trade Orders; Trade Allocation; and Restrictions When CGM is the Overlay Manager</i>	44
<i>Error Corrections</i>	45
<i>Solicitations</i>	45
<i>CGM's Advisory Services</i>	45
<i>CGM Brokerage and Research Services</i>	45

<i>Certain Civil and Regulatory Actions</i>	46
<i>Auction Rate Securities Settlements</i>	48
BIOGRAPHICAL INFORMATION	49
<i>Principal Executive Officers</i>	49
<i>Investment Advisory Services</i>	49
<i>Consulting Group</i>	50
<i>Portfolio Management Group</i>	51
<i>Smith Barney Advisor</i>	51
<i>Private Portfolios Group</i>	51

INTRODUCTION

Citigroup Global Markets Inc. (“CGM”), through its Smith Barney division (hereinafter referred to as “SB”) and its Investment Advisory Services group (“IAS”), including its Consulting Group (“CG”) and Portfolio Management Group (“PMG”), provides a variety of services designed to meet the varying investment advisory and related needs of individual and institutional clients. Each program described in this brochure offers some or all of the following services: selection of, or assistance in selecting, an investment adviser; ongoing evaluation and review of investment advisers; evaluation and review of the composition of selected portfolios; discretionary portfolio management; custody; execution; and reports of activity in a client’s account. In the Consulting Group programs, the portfolio management of client accounts is undertaken by investment management firms that are independent of SB. However, in Portfolio Management Group, SB, acting primarily through the client’s SB Financial Advisor undertakes management of the client’s accounts.

Certain programs and services described in this brochure facilitate the retention by a client, or by SB on a client’s behalf, of investment management firms for the provision of portfolio management services. Information related to each specific investment manager is contained in a separate brochure, and available upon request through a client’s Financial Advisor.

Clients should read and consider carefully the information contained in both this brochure and any relevant investment manager brochure. While SB believes that its professional investment advice can work to benefit many clients, there is no assurance that the objectives of any client in any of the programs described will be achieved.

FIDUCIARY SERVICES — UNAFFILIATED MANAGER PROGRAM

In the Fiduciary Services—Unaffiliated (“FSU”) Manager Program, SB retains unaffiliated investment management firms to manage client accounts and also provides custody, execution and related services for a single asset-based fee. For certain investment managers, CGM is the Overlay Manager. Please refer to the Sections below entitled *Execution of Transactions When CGM is the Overlay Manager*, CGM’S ROLE AS OVERLAY MANAGER, and *Trade Allocations*, for more information on overlay manager services provided by CGM. The minimum account size for equity and balanced accounts generally starts at \$100,000 and the minimum account size for fixed income accounts generally starts at \$250,000. However, certain investment managers, firms and investment styles may require different minimums. Many of the investment management firms SB may retain for the FSU Manager Program clients are otherwise available only to clients with significantly greater assets to invest.

Services Provided

In the FSU Manager Program, SB analyzes a client’s investment objectives and retains on the client’s behalf one or more investment management firms to manage assets in accordance with those objectives. In this program, the client enters into an investment advisory agreement with SB that provides SB with the discretion to retain one or more investment management firms on the client’s behalf. SB, in turn, separately contracts with such firms for their provision of services. For certain investment managers that provide a model portfolio to the Overlay Manager for execution, SB and Overlay Manager will enter into agreements with the investment manager to be responsible for providing Model Portfolios to Overlay Manager for investing assets in client accounts based on their own investment decisions.

In the client agreement with SB, the clients authorize SB to engage each investment manager that provides a Model Portfolio (or implements its investment decisions directly) to act as investment adviser to the client. The client authorizes each investment manager, as investment adviser to the client, to exercise discretion to select securities for the client’s account by (i) delivering a Model Portfolio to Overlay Manager, which Overlay Manager will implement (subject to any client instructions accepted by Overlay Manager); or (ii) (in the case of an executing investment manager) implementing its investment decisions directly.

SB may change the Overlay Manager (which change may involve SB selecting an Overlay Manager that is or is not affiliated with SB) in its sole discretion at any time and for any reason. If there is a disruption in the services provided by Overlay Manager for any reason, SB or an affiliate may act as Overlay Manager during the period of the disruption. This may impact account performance. In addition, in the event of a disruption, SB may liquidate the applicable Portfolio (in whole or in part), and invest the proceeds in money market funds or other cash equivalents.

SB also offers blended portfolios through a multi-style product including both equity and fixed-income securities of various risk and return characteristics. The minimum account size for the multi-style product generally starts at \$100,000, although certain investment managers and firms may establish different minimums.

In most cases, SB will obtain the concurrence of the client before retaining an investment manager. Although clients are not prohibited from directly contacting an investment management firm retained to manage their accounts, clients are encouraged to use their SB Financial Advisor as their primary contact.

Establishment of Client Objectives

Clients work with their SB Financial Advisor to establish the investment objectives for each of their accounts. As part of this process, an investment questionnaire and a confidential client information form is completed with respect to the client. These documents are transmitted to the Consulting Group for analysis.

Evaluation and Selection of Investment Management Firms

SB will recommend one or more investment management firms to provide portfolio management of client accounts, based on each client's objectives and circumstances. SB retains only investment managers that have been evaluated and reviewed as described below in the section entitled "*Research in Advisory Programs*", and in the multi-style product, only investment managers who are capable of managing blended portfolios within a single account.

Investment managers must be reviewed and evaluated, either through Opinion Research or Access Research, by CGM's Investment Advisor Research group ("IAR") to be eligible to be an investment manager in the FSU Manager Program.

In the event of a Manager Downgrade, where an investment manager no longer meets the Opinion and Access Research standards and SB determines that it is advisable and in the best interest of a client, SB may terminate an investment management firm's management of the client's account or stop recommending new client assets to such firm in the FSU Manager Program. Also in the event of a Manager Downgrade, SB may transfer a client's assets from one manager to another in the FSU Unaffiliated Manager Program. Before a manager is engaged or a client's assets are transferred from the current manager to another unaffiliated manager, SB will attempt to notify the client orally or in writing and will attempt to obtain the oral or written concurrence of the Client. It is understood, however, that SB need not seek or obtain the client's concurrence if SB has not obtained oral or written direction from the client regarding the change in managers.

IAR also maintains a "Watch" policy for investment managers in its FSU Manager Program. IAR's "Watch" policy is more fully described below under "Watch Policy". A Watch Status may, but is not certain to, result in a downgrade of the product's recommended status.

Account Information

SB confirms all transactions executed through SB and provides account statements at least quarterly. Clients also receive periodically a Performance Review, which is an extensive statistical review and analysis of the account. Clients may elect to waive the receipt of trade confirmations after the completion of each trade in favor of alternative methods of communication. Clients may also receive mutual fund prospectuses, where appropriate.

In the FSU Manager Program, a client may request in writing that certain specified securities not be purchased for his or her account. Also, a client generally may specify that certain categories of securities not be purchased. In this event, SB will determine in its sole discretion the specific securities that will be treated as falling within the restricted category. In making this determination, SB may rely on outside sources, such as standard industry codes and research furnished by independent service providers.

Fees

The FSU Manager Program is available only on the basis of an asset-based fee paid to SB. This fee covers the services described above (including the investment manager's fee), as well as custody of securities and trade execution with or through SB. Clients bear the cost of commissions or other transaction charges with respect to securities trades directed by the investment manager to firms other than SB for execution. Transactions in fixed income and certain other securities generally involve payment of mark-ups or mark-downs or other charges to dealers other than SB in addition to the asset-based fees. See "GENERAL ACCOUNT INFORMATION — Additional Information Regarding Fees and Charges." The standard annual fees are as follows:

FIDUCIARY SERVICES PROGRAMS

Equity, Balanced and Multi-Style Accounts

Assets	Annual Fee
First \$500,000	3.00%
Next \$500,000	2.20%
Next \$1 million	1.90%
Over \$2 million	1.70%

Fixed Income Accounts

Assets	Annual Fee
First \$500,000	1.25%
Next \$500,000	1.00%
Next \$1 million	0.85%
Over \$2 million	0.75%

SB shall be entitled to a minimum annual fee of \$1,500 for Equity portfolios, and \$1,250 for Fixed Income portfolios. In addition, the client will bear a proportionate share of the fees and expenses incurred by any mutual funds in which the client is invested. The prospectus of each of these funds describes these internal fees and expenses in detail. For more information relating to fees please see the section below entitled “Compensation from Funds”.

Fees are negotiable based on a number of factors, which may result in a particular client paying a fee greater or less than the standard fees. Fees are generally payable quarterly in advance. The portion of the asset-based fee paid by SB to unaffiliated investment management firms depends upon the asset class, the investment style and the total amount of assets allocated to the investment manager in the FSU Manager Program. SB generally pays its unaffiliated investment managers based on the following table:

Investment Styles

Annual Fiduciary Services Unaffiliated Manager Fee

All Cap, Large Cap, Large Cap Balanced, Convertible Securities, Real Estate Investment Trusts (REITs)	Between 0.34% and 0.50%
Mid Cap	Between 0.40% and 0.50%
Multi-Style	Between 0.39% and 0.47%
Small Cap Small/Mid Cap	Between 0.43% and 0.50%
Fixed Income	Between 0.23% and 0.35%
Global, International or Emerging Markets, Non Diversified Portfolios	Between 0.36% and 0.48%

The unaffiliated investment manager fees listed herein are subject to change without notice. In the case of equity, balanced and multi-style accounts, SB segregates 0.45% of the fee which is charged to clients, or in the case of fixed income accounts 0.30% of the fee, and applies all or a portion of it to the asset-based fee paid to unaffiliated investment manager firms. When SB’s payment to an unaffiliated manager firm is less than the segregated amount (0.45% or 0.30% respectively), SB retains a larger portion of the fee charged to clients. Thus, SB has an incentive to recommend investment managers that are paid less, thus, retain a higher fee. When SB’s payment is greater than the segregated amount, SB supports the fee to the unaffiliated manager firm and in effect retains a lesser portion of the fee charged to clients. No portion of the segregated amount is paid to SB Financial Advisors who, therefore, have no direct financial incentive to recommend one unaffiliated manager firm over another. However, SB Financial Advisors’ compensation is directly affected by the size of the client’s annual fee. Therefore SB Financial Advisors may have an incentive to recommend equity, balanced and multi-style styles over fixed income, high yield and tax-managed index styles since the former have higher standard annual fees than the latter.

FIDUCIARY SERVICES —LEGG MASON MANAGER PROGRAM

Except as otherwise provided in this Section, the Fiduciary Services—Legg Mason Manager Program (the “FS Legg Mason Program”) operates in a manner substantially similar to the FSU Manager Program. However, in the FS Legg Mason Program, the investment management portfolios are offered by Legg Mason Private Portfolio Group, LLC (the “Manager”) and one or more investment managers that serve as subadvisers to the Manager (the “Subadvisers”) for the provision of portfolio management services CGM acts as the Overlay Manager. Please refer to the Sections below entitled *Execution of Transactions When CGM is the Overlay Manager*, *CGM’S ROLE AS OVERLAY MANAGER*, and *Trade Allocations*, for more information on overlay manager services provided by CGM.

Services Provided

The Subadvisers available for new accounts in the FS Legg Mason Program currently are the following investment management firms, each of which is affiliated with the Manager: ClearBridge Advisors, LLC, Western Asset Management Company and Brandywine Global Investment Management, LLC. The Consulting Group and the Manager may agree from time to time to make additional Subadvisers available for new accounts in the FS Legg Mason Program, including Subadvisers that are affiliated with the Manager and Subadvisers that are not affiliated with the Manager. Information related to the Manager and the Subadvisers affiliated with the Manager is contained in a separate brochure (the “Legg Mason Brochure”), which is available upon request through a client’s Financial Advisor.

In the FS Legg Mason Program, SB analyzes a client’s investment objectives and retains the Manager and one or more Subadvisers on the client’s behalf, as described above, to manage assets in accordance with those objectives, by implementing one of various investment management portfolios (the “Investment Management Portfolios”) available. Which Subadvisers(s) are involved in managing a client’s account will depend on the Investment Management Portfolio selected by the client. With the assistance of a SB Financial Advisor, clients can also customize an Investment Management Portfolio. In the FS Legg Mason Program, the client enters into an investment advisory agreement with SB that provides SB with the discretion to retain the Manager and one or more Subadvisers on the client’s behalf. SB separately contracts with the Manager for its provision of services and the Manager separately contracts with the Subadvisers for their provision of services. As described in more detail in the Legg Mason Brochure, the Subadvisers instruct SB on securities to be bought and sold for Investment Management Portfolios and SB manages client accounts in the Program based on these instructions. In addition to single-style Investment Management Portfolios, the Manager offers multi-style Investment Management Portfolios, including portfolios that include both equity and fixed income styles.

Please see the Legg Mason Brochure for a list of the Investment Management Portfolios available in the FS Legg Mason Program.

The Manager is a subsidiary of Legg Mason, Inc. (“Legg Mason”). See “ABOUT CITIGROUP GLOBAL MARKETS INC. -- Citigroup/Legg Mason Transaction.” SB is a subsidiary of Citigroup Inc. (“Citigroup”). As of December 31, 2007, Citigroup had less than a 7% ownership interest in Legg Mason (including a voting interest of less than a 1%) and this relationship may be perceived as a potential conflict of interest.

The minimum account size for equity and balanced accounts in the FS Legg Mason Program is generally \$50,000, and the minimum account size for fixed income accounts is generally \$100,000, although certain portfolio managers may establish different minimums.

Evaluation and Selection of Investment Management Firms

The Manager in the FS Legg Mason Program undergoes an evaluation process through Opinion or Access Research similar to that described for the FSU Manager Program. If an Investment Management Portfolio includes any mutual funds, those mutual funds may not have been evaluated or reviewed through Opinion or Access Research.

Fees

The –FS Legg Mason Manager Program is available pursuant to the same fee arrangements as those described for the FSU Manager Program.

CONSULTING GROUP SELECT PORTFOLIOS

The Consulting Group Select Portfolios (“CG Select”) Program is a multi-disciplinary separate account, offering clients the portfolio management expertise of portfolio managers selected by Consulting Group in several different asset classes, within a single custodial account. The minimum account size for a CG Select account starts at \$100,000 and may be up to, or exceed \$500,000 depending on the particular Portfolio selected. Clients should refer to their Financial Advisor regarding specific account minimums for the different Portfolios available through the CG Select Program.

Services Provided

A SB Financial Advisor, or a SB affiliate employee, if applicable, assists the client in the review and evaluation of investment objectives through the use of a questionnaire and, if appropriate, updated confidential client information. Based on a review and evaluation of the client’s investment objectives, SB or a SB affiliate if applicable, and the client, select a portfolio (a “Portfolio”). A Portfolio is a multi-style investment approach consisting of multiple separately registered investment managers (each a “Sub-Manager” and collectively “Sub-Managers”) who provide recommendations to an investment manager (“Overlay Manager”).

Pursuant to an agreement with SB, Overlay Manager shall invest the assets in each client account except that in certain strategies Sub-Managers are granted discretion by SB and the Overlay Manager to implement recommendations directly in coordination with the Overlay Manager. The Overlay Manager will seek to manage the client’s account in a manner consistent with the recommendations provided by the Sub-Managers, but the Overlay Manager may deviate, in its discretion, from such recommendations. If CGM or an affiliate is acting as the Overlay Manager, the Overlay Manager may be compelled from time to time to refrain from trading in the securities of certain companies with which Citigroup has investment banking or other relationships. Please see the Sections below entitled “CGM’S ROLE AS OVERLAY MANAGER” and “ABOUT CITIGROUP GLOBAL MARKETS INC. – *Potential Conflicts of Interest*”, for additional information. SB may change the Overlay Manager (which change may involve SB acting as Overlay Manager itself) in its sole discretion at any time and for any reason. If there is a disruption in the services provided by Overlay Manager for any reason, SB or an affiliate may act as Overlay Manager during the period of the disruption. This may impact account performance. In addition, in the event of a disruption, SB may liquidate the applicable Portfolio (in whole or in part), and invest the proceeds in money market funds or other cash equivalents.

SB will enter into agreements with Sub-Managers to be responsible for providing recommendations to the Overlay Manager with respect to each of those strategies. Each Sub-Manager shall be selected from the universe of investment managers with which SB has entered into an agreement and which have been evaluated and deemed eligible through the Opinion or Access Research process. Please refer to the Section below entitled “*Research in Advisory Programs*”, for additional information on the evaluation and selection of Sub-Managers. SB may change the Sub-Managers in a Portfolio or the allocation of assets to investment strategies within a Portfolio at any time in its sole discretion. Before a new Portfolio is selected for a client’s assets, SB will attempt to notify the client orally or in writing and will attempt to obtain the oral or written concurrence of the client. However, SB need not seek or obtain the client’s concurrence where obtaining concurrence of the client does not appear to be reasonably practicable.

In the CG Select program, a client may elect tax management (“Tax Management”) services for the account. In order to elect Tax Management services, the client must complete and sign a Tax Management Services form, and deliver the signed form to SB. Tax Management services may conflict with investment decisions of applicable Sub-Managers and/or SB or Overlay Manager rebalancing decisions. In the event of and to the extent of any such conflict, the Tax Management services selected by the client will prevail and contrary SB, Overlay Manager and/or Sub-Manager investment advice will not be implemented for as long as such advice is contrary to such Tax Management services. As a result (i) the account may not receive the benefits, including gains and avoided losses, of certain recommended purchases and sales of securities, and (ii) the account’s composition and performance may vary significantly from that of client accounts for which similar Tax Management services have not been selected.

Account Information

SB or its affiliates (if applicable) provides clients with confirmations of all transactions, account statements at least quarterly and a periodic Performance Review, which is an extensive statistical review and analysis of the account. Clients with a CG Select account may elect to waive the receipt of trade confirmations after the completion of each trade in favor of alternative methods of communication. Clients may also receive mutual fund prospectuses, where appropriate.

In the CG Select Program, a client may request in writing that certain specified securities not be purchased for his or her account. Also, a client generally may specify that certain categories of securities not be purchased. In this event, SB will determine in its sole discretion the specific securities that will be treated as falling within the restricted category. In making this determination, SB may rely on outside sources, such as standard industry codes and research furnished by independent service providers.

Fees

The client pays an asset-based fee to SB which covers investment advisory services, custody of securities, trade execution with or through SB, the Overlay Manager and Sub-Manager fees, as well as compensation to any SB Financial Advisor. The fee also covers the services provided under the Program Agreement by affiliates of SB. Transactions in fixed income and certain other securities may involve dealer mark-ups or mark-downs or other charges in addition to the asset-based fees, although generally SB will not realize any additional compensation. See “GENERAL ACCOUNT INFORMATION—Additional Information Regarding Fees and Charges”. The standard annual fee for the CG Select Program is as follows:

CG SELECT PROGRAM

Equity and Balanced Accounts

Assets	Annual Fee
First \$500,000	3.00%
Next \$500,000	2.20%
Next \$1 million	1.90%
Over \$2 million	1.70%

SB shall be entitled to a minimum annual fee of \$1,500. Fees are negotiable based on a number of factors, which may result in a particular client paying a fee greater or less than the standard fees. Fees are generally payable quarterly in advance. Beginning on or about October 1, 2008, as a result of an acquisition, SB will be the Overlay Manager for the CG Select Program. Effective October 1, 2008, SB segregates 0.45% of the fee which is charged to clients, applies a portion of the 0.45% to pay the Overlay Manager’s fee, and applies a portion of the 0.45% to pay the Sub-Managers’ asset-based fees. The Sub-Managers’ asset based fees (which are subject to change without notice) will as of October 1, 2008 range from 0.20% per year to 0.35% per year, depending on the Sub-Manager’s investment strategies and other factors. Therefore, the portion of the program fees that SB and its affiliates will retain after October 1, 2008 will vary, depending on the amount used to pay the Sub-Managers. After October 1, 2008, SB may have a conflict of interest in recommending Sub-Managers that result in SB retaining a larger portion of the fee described above. However, no amount of the segregated fee is paid to SB Financial Advisors who, therefore, have no direct financial incentive to recommend one investment strategy over another.

CONSULTING GROUP SELECT ETF ALLOCATIONS

The Consulting Group Select ETF Allocations (“CG Select ETF Allocations”) Program is a discretionary multi-disciplinary account, offering clients unaffiliated Exchange Traded Funds (“ETFs”) combined with active asset allocation advice, within a single custodial account. CGM provides implementation and coordination services as the Overlay Manager for this program. For further information regarding the operations of the Overlay Manager, see

CGM'S ROLE AS OVERLAY MANAGER below. The minimum account size for a CG Select ETF Allocations account is \$25,000.

Services Provided

A SB Financial Advisor assists the client in the review and evaluation of investment objectives through the use of a questionnaire and, if appropriate, updated confidential client information. Based on a review and evaluation of the client's investment objectives, SB and the client, select a portfolio (a "Portfolio"). A Portfolio is a multi-style investment approach consisting of multiple unaffiliated ETFs selected by Consulting Group, combined with asset allocation advice provided by SB. The ETF may, or may not, have been evaluated through the Opinion or Access research process.

As discussed in further detail in the CGM'S ROLE AS OVERLAY MANAGER section below. The Overlay Manager shall, upon the specific instruction of SB, invest and re-invest all of the assets in each Account and implement recommendations made by SB. For each Portfolio selected, Client acknowledges and understands that Overlay Manager will effect transactions in the Account only pursuant to the recommendations of SB. SB may change an ETF in a Portfolio or the allocation of assets to investment strategies within a Portfolio at any time in its sole discretion.

Also, before a new Portfolio is selected for Client's Account, SB will attempt to notify Client orally or in writing and will attempt to obtain the oral or written concurrence of Client. It is understood, however, that SB need not seek or obtain Client's concurrence if it has been unable to obtain oral or written direction from Client regarding the change in a Portfolio. Client may request in writing that a new Portfolio be selected for the Account, and SB will implement that change as soon as is reasonably practicable.

Account Information

SB provides clients with confirmations of all transactions, account statements at least quarterly and a periodic Performance Review, which is an extensive statistical review and analysis of the account. Clients with a CG Select ETF Allocations account may elect to waive the receipt of trade confirmations after the completion of each trade in favor of alternative methods of communication. Clients may also receive ETF and mutual fund prospectuses, where appropriate.

In the CG Select ETF Allocations Program, Client may request in writing that certain specified ETFs or certain categories of ETFs, not be purchased for the Account. In the event that an ETF or category of ETFs is restricted, the portion of the account that would have been invested in such ETFs or categories of ETFs will be invested in cash equivalents or short-term fixed income instruments at the discretion of SB. Investment in cash equivalents or short-term fixed income instruments pursuant to such a restriction will impact the performance of the account relative to an account that is fully invested in ETFs. Because ETFs are pooled investment vehicles, it will not be possible for SB to accommodate requests for restrictions on individual securities.

Fees

The client pays an asset-based fee to SB, which covers investment advisory services, custody of securities, trade execution with or through SB, the Overlay Manager fees, as well as compensation to any SB Financial Advisor. Transactions in fixed income and certain other securities may involve dealer mark-ups or mark-downs or other charges in addition to the asset-based fees, although generally SB will not realize any additional compensation. See "GENERAL ACCOUNT INFORMATION—Additional Information Regarding Fees and Charges". The standard annual fee for the CG Select ETF Allocations Program is as follows:

SELECT ETF ALLOCATIONS PROGRAM

Assets	Annual Fee
First \$250,000	2.00%
Next \$250,000	1.75%
Next \$500,000	1.50%

Next \$1,000,000	1.25%
Next \$3,000,000	1.00%
Next \$2,500,000	0.75%
Over \$7,500,000	0.50%

Fees are negotiable based on a number of factors, which may result in a particular client paying a fee greater or less than the standard fees. Fees are generally payable quarterly in advance.

CONSULTING GROUP SELECT UMA

The Consulting Group Select UMA (“CG Select UMA”) program is a “Unified Managed Account” program. It is similar to the other Select programs. However, the CG Select UMA program offers a combined portfolio (the “Portfolio”) implemented by an investment manager (“Overlay Manager”) comprised of some or all of the following investment products (the “Investment Products”): (i) mutual funds, (ii) ETF’s, (iii) securities which Overlay Manager shall invest in based on a model portfolio (the “Model Portfolio”) provided by one or more investment managers selected from those approved by Consulting Group (“Sub-Managers”), and/or (iv) securities in which an Executing Sub-Manager (as defined below) shall invest in based on its own investment decisions. Currently, CGM is the Overlay Manager. Please refer to the Sections below entitled *Execution of Transactions When CGM is the Overlay Manager*, CGM’S ROLE AS OVERLAY MANAGER, and *Trade Allocations*, for more information on overlay manager services provided by CGM. The minimum account size for a CG Select UMA account is \$50,000.

Services Provided

A SB Financial Advisor, or a SB affiliate employee, if applicable, assists the client in the review and evaluation of investment objectives for each account through the use of a questionnaire and, if appropriate, updated confidential client information. Based on a review and evaluation of the client’s investment objectives, SB or a SB affiliate if applicable, and the client, (or SB in the event the client has elected Financial Advisor Discretion (as defined below)) shall select a Portfolio. A Portfolio is a multi-style investment approach that allocates assets in the client account to specific investment strategies. In order to construct the Portfolio, SB and the client will select a model (a “Model”), from among investment models pre-defined by SB (or in the case of a “custom” Model as described below, the client). Each of the available Models will represent a different asset allocation appropriate for a different investment objective/risk tolerance. The client may choose to adopt the “tactical”, “strategic” or “custom” version of the Model. SB will be responsible for setting the asset allocation of each tactical or strategic Model, and adjusting the asset allocation from time to time as SB deems appropriate. SB may leave the tactical or strategic Model asset allocation unchanged for as long as SB deems appropriate. However, it is anticipated that SB will change the asset allocation of the tactical version more frequently than that of the strategic version. Typically, SB will change the tactical Model asset allocation several times per year, while SB will change the strategic version only about once per year. Changes in the asset allocation will likely result in transactions in the client account, and these transactions could have tax consequences for a taxable account. If the client selects the “custom” version of the Model, the client (or SB in the event the client has elected Financial Advisor Discretion (as defined below)) will define the Model by setting the asset allocation for the Model and adjusting the asset allocation from time to time as the client (or SB in the event the client has elected Financial Advisor Discretion (as defined below)) deems appropriate.

Once SB and the client (or SB in the event the client has elected Financial Advisor Discretion (as defined below)) have selected the Model, SB and the client (or SB in the event the client has elected Financial Advisor Discretion (as defined below)) will construct the Portfolio by populating each asset class comprising the Model with one or more Investment Products. SB will offer one or more of each of the following Investment Products for each asset class: mutual funds, ETFs and/or separate accounts which Overlay Manager shall invest in based on a Model Portfolio provided by one or more Sub-Managers (or which the Executing Sub-Managers (as defined below) invest in based on their own investment decisions). SB and Overlay Manager will enter into agreements with each of the Sub-Managers to be responsible for providing Model Portfolios to Overlay Manager or (in the case of Executing Sub-Managers) for investing assets in client accounts based on their own investment decisions.

In the client agreement with SB, the clients authorize SB to engage each Sub-Manager that provides a Model Portfolio (or implements its investment decisions directly) for an Investment Product selected by SB and the client

(or SB in the event the client has elected Financial Advisor Discretion (as defined below)), to act as investment adviser to the client. The client authorizes each Sub-Manager, as investment adviser to the client, to exercise discretion to select securities for the client's account by (i) delivering a Model Portfolio to Overlay Manager, which Overlay Manager will implement (subject to any client instructions accepted by Overlay Manager); or (ii) (in the case of an Executing Sub-Manager) implementing its investment decisions directly.

In the CG Select UMA program, clients may elect the "Financial Advisor Discretion" option, pursuant to which the client grants SB discretion to select Sub-Managers or other Investment Products and (if the client has elected a custom Model) to define the Model for the client. SB will exercise this discretion primarily through an SB employee (the "Discretionary FA"), who shall initially be the client's SB Financial Advisor. If for any reason, and in the sole discretion of SB, the Discretionary FA is unable to render such services, temporarily or permanently, or terminates his or her employment with SB, SB shall continue to render such services and shall promptly assign another SB Financial Advisor to act as the Discretionary FA on a temporary or permanent basis.

Pursuant to an agreement with SB, Overlay Manager shall invest and re-invest the assets in each client account except that in certain strategies Sub-Managers (hereinafter "Executing Sub-Managers"; "Sub-Managers" includes "Executing Sub-Managers as the context requires herein) are granted discretion by SB to implement recommendations directly. The Overlay Manager will seek to manage the client's account in a manner consistent with the Model and Investment Products selected by the client and SB and the Model Portfolio provided by any applicable Sub-Manager, as qualified by any client instructions accepted by the Overlay Manager, including without limitation any instructions in connection with the client's selection of Tax Management services for the account, as described below. SB may change the Overlay Manager (which change may involve SB selecting an Overlay Manager that is or is not affiliated with SB) in its sole discretion at any time and for any reason. If there is a disruption in the services provided by Overlay Manager for any reason, SB or an affiliate may act as Overlay Manager during the period of the disruption. This may impact account performance. In addition, in the event of a disruption, SB may liquidate the applicable Portfolio (in whole or in part), and invest the proceeds in money market funds or other cash equivalents.

Periodically, Overlay Manager will re-balance the client's account in accordance with a re-balancing protocol specified by SB and agreed to by Overlay Manager.

Each Sub-Manager, mutual fund and ETF included as an Investment Product shall be selected from the universe of Sub-Managers, mutual funds and ETFs with which SB has entered into an agreement and for which CGM has performed research under CGM's "Access" research process or more rigorous "Opinion" research process and has determined that SB can recommend the Investment Product. Please refer to the Section below entitled "*Research in Advisory Programs*", for additional information on the evaluation and selection of mutual funds, ETFs and Sub-Managers comprising Investment Products. In the event of an "Investment Product Downgrade", where an Investment Product is no longer approved for the Select UMA program and SB determines that it is advisable and in the best interest of a client, SB may transfer a client's assets to a different Sub-Manager or other Investment Product. Except where client has elected the Financial Advisor Discretion option as described above, before a new Investment Product is selected for a client's assets SB or an affiliate will attempt to notify the client orally or in writing and will attempt to obtain the oral or written concurrence of the client. However, SB need not seek or obtain the client's concurrence if SB has not obtained oral or written direction from the client regarding the change in an Investment Product. Notwithstanding the preceding provisions of this paragraph, if the amount in an Investment Product in a client's account falls below the minimum for that Investment Product (due to re-balancing, market activity or any other reason), SB may transfer the client's assets to another appropriate Investment Product for the same asset class, which Investment Product has a minimum investment for which the client's account qualifies.

In the CG Select UMA program, a client may elect tax management ("Tax Management") services for the account. In order to elect Tax Management services, the client must complete and sign a Tax Management Services form, and deliver the signed form to SB. Tax Management services may conflict with investment decisions of applicable Sub-Managers and/or SB or Overlay Manager rebalancing decisions. In the event of and to the extent of any such conflict, the Tax Management services selected by the client will prevail and contrary SB, Overlay Manager and/or Sub-Manager investment advice will not be implemented for as long as such advice is contrary to such Tax Management services. As a result (i) the account may not receive the benefits, including gains and avoided losses, of certain recommended purchases and sales of securities, and (ii) the account's composition and performance may vary significantly from that of client accounts for which similar Tax Management services have not been selected.

Account Information

SB or its affiliates (if applicable) provides clients with confirmations of all transactions, account statements at least quarterly and a periodic Performance Review, which is an extensive statistical review and analysis of the account. Clients with a CG Select UMA account may elect to waive the receipt of trade confirmations after the completion of each trade in favor of alternative methods of communication. Clients may also receive mutual fund or ETF prospectuses, where appropriate.

SB or an affiliate will provide each client, prior to delivery of the client agreement in executed form, with a Form ADV Part II or similar document (the “Disclosure Document”) and privacy notice (the “Privacy Notice”) for the Overlay Manager, CGM and each Sub-Manager. This document constitutes the Disclosure Document for the Overlay Manager and CGM. In the client agreement, each client consents to electronic delivery of Disclosure Documents and Privacy Notices for SB, Overlay Manager and each Sub-Manager. The client may revoke this consent to electronic delivery at any time by contacting the client’s SB Financial Advisor, revoking the consent and requesting paper copies of the Disclosure Documents or Privacy Notices.

In the CG Select UMA Program, a client may request in writing that certain specified securities not be purchased for his or her account. Also, a client generally may specify that certain categories of securities not be purchased. In this event, the Overlay Manager will determine in its sole discretion the specific securities that will be treated as falling within the restricted category. In making this determination, the Overlay Manager may rely on outside sources, such as standard industry codes and research furnished by independent service providers. Restrictions imposed by a client on the management of the client’s account will not apply to or affect the internal management of a mutual fund or exchange traded fund purchased for the account in accordance with the Portfolio selected by the client.

Fees

The client pays an asset-based fee to SB which covers investment advisory services, custody of securities, trade execution with or through SB, as well as compensation to any SB Financial Advisor. However the Overlay Manager and Sub-Manager fees are separate from the client fee charged by SB. The fee also covers the services provided under the Select UMA program by affiliates of SB. SB currently receives a fee of 0.10% from all participating mutual funds for non-ERISA assets. Thus, SB has a conflict to recommend mutual funds over separately managed accounts or ETF’s. Also, certain transactions in fixed income and certain other securities may involve dealer mark-ups or mark-downs or other charges in addition to the asset-based fees, although generally SB will not realize any additional compensation. See “GENERAL ACCOUNT INFORMATION—Additional Information Regarding Fees and Charges” and “Compensation from Funds”. The standard annual fee for the CG Select UMA Program is as follows:

SELECT UMA PROGRAM

Assets	Annual Fee
First \$250,000	2.00%
Next \$250,000	1.75%
Next 500,000	1.50%
Next \$1 million	1.35%
Next \$3 million	1.25%
Next \$5 million	0.80%
Next \$15 million	0.40%
Next \$25 million	0.30%
Next \$50 million	0.20%
Next \$100 million	0.10%
Over \$200 million	0.05%

Fees are negotiable based on a number of factors, which may result in a particular client paying a fee greater or less than the standard fees. Fees are generally payable quarterly in advance. Also, if the Financial Advisor Discretion option is chosen, the annual fee includes an additional charge for discretionary services of 25% of SB's basic advisory fee described above.

As indicated above, the mutual fund, ETF, Overlay Manager and Sub-Manager fees are separate from the client fee charged by SB. The Overlay Manager fee is a 0.10% asset-based annual fee. The Sub-Manager fees will vary depending on the Sub-Manager and the investment strategy of the Sub-Manager. The asset-based annual fees of the Sub-Managers generally range from 0.20% to 0.75% for the CG Select UMA Program. For certain investment styles there may be a mutual fund and separate managed account offered by the same investment management firm and, therefore, the underlying investments in the separate managed account and the mutual fund may be substantially identical. Because the underlying expenses and fees of the separately managed account are generally lower and the performance of a separately managed account is generally higher than the comparable mutual fund, if the Client meets the minimum level of investment for the separate managed account, the Client may have a financial benefit to select the separate managed account as the investment product.

INTEGRATED INVESTMENT SERVICES

Integrated Investment Services ("IIS") is a relationship suitability and monitoring service which allows clients to combine multiple Fiduciary Services Program accounts with a special non-discretionary, advisory account ("Smith Barney Advisor"), that offers clients the ability to purchase individual securities, as more fully described below. The IIS option is available to all clients at no additional cost beyond the normal program fees.

Services Provided

IIS works as follows:

- The client, in many cases with the assistance of his or her Financial Advisor, completes a questionnaire (the "Questionnaire") detailing his or her investment objectives, risk tolerances and restrictions, if any.
- Based on the client's completion of the Questionnaire, SB shall perform an analysis of the client's overall investment suitability, wherein SB may consider assets that are not contained in the account ("Outside Assets") as well as any Unsupervised Assets (as defined below) that client has designated for analysis. SB will prepare and issue a proposal (the "Proposal") to the client, containing advice as to the appropriate mix of investment types designed to balance the client's financial goals against his or her means and risk tolerances as part of a long-term investment strategy. In compiling the Proposal, SB shall rely on the financial and other information provided by the client regarding Outside Assets that are not custodied in a SB account. In addition to asset allocation suggestions, the Proposal may also contain specific recommendations about implementing investment decisions through Fiduciary Services portfolios, and a broad array of securities (referred to below as "Eligible Assets").
- The client may choose to implement all or a portion of the recommendations contained in the Proposal, or none at all, choosing rather to implement investment options developed by the client.
- Depending on the investment options implemented by the client, one or more Fiduciary Services or Smith Barney Advisor accounts is opened using a single set of new account documentation.
- Depending on the Program selected by the client, SB automatically monitors the client's accounts under the IIS relationship for investment restrictions, tax loss sales instructions and compliance with risk tolerances, all set by the client. If such tolerances are exceeded, clients are contacted in order to obtain appropriate rebalancing instructions.
- Clients receive a periodic review (the "Review") highlighting performance occurring in accounts within the IIS relationship. The Review is a monitoring report containing an analysis and evaluation of the IIS accounts to ascertain whether the objectives of the IIS account are being met. In addition to the Review, the client receives account statements in any month in which there is activity and, in any event, quarterly.

For further information regarding the operations of the Overlay Manager, see CGM'S ROLE AS OVERLAY MANAGER below.

Clients will also receive confirmations of all transactions. However, clients with Fiduciary Services accounts may elect to waive the receipt of trade confirmations after the completion of each trade in favor of alternative methods of communication. Clients may also receive mutual fund prospectuses, where appropriate.

At any time, should the client's financial situation or needs change, the client may complete a new Questionnaire, in which event SB will issue a new Proposal, appropriate for the client's changed circumstances. All decisions to implement asset allocation and specific investment recommendations contained in the Proposal (or the decision not to follow the investment recommendations) rest with the client at all times.

There is no fee for the IIS service; rather, clients are charged a fee for each of the underlying accounts opened within an IIS relationship. Please refer to the discussion of fees contained in the sections marked Fiduciary Services—Unaffiliated Manager Program and Fiduciary Services—Legg Mason Manager Program above and Smith Barney Advisor Fees below.

SB and SB Financial Advisors may also provide other services in connection with IIS. Any such services will be specified in the Integrated Investment Services Agreement between SB and the client.

Smith Barney Advisor

Smith Barney Advisor is an investment advisory program designed to assist a client in devising and implementing a reasoned, systematic, long-term investment strategy tailored to the client's financial circumstances. Smith Barney Advisor assists clients in evaluating their investment objectives and risk tolerances and enables them to invest in a broad array of Eligible Assets (as defined below). Smith Barney Advisor is a non-discretionary investment program in which all investment decisions are made by the client, other than the investment of free credit balances and the conversion of mutual fund shares to shares of a different share class as discussed below. Neither SB nor any affiliated entity has any investment discretion over a client's Smith Barney Advisor account. The Smith Barney Advisor program consists of the following elements:

- **The Investment Proposal.** SB shall assist with the review and evaluation of a client's investment objectives. In order to develop a client's overall suitability, SB shall review and evaluate a client's financial goals and risk tolerances based on an investment questionnaire (the "Investment Questionnaire") that the SB Financial Advisor completes with the assistance of the client, to reflect the client's situation. In reviewing client's suitability, SB may consider Outside Assets as well as any Unsupervised Assets (as defined below) that client has designated for analysis. Based on the Investment Questionnaire, SB shall prepare an investment proposal (the "Proposal") containing investment recommendations that are consistent with the client's investment objectives. The Proposal provides specific advice about implementing investment decisions through Eligible Assets (as defined below), which cover a spectrum of investments. Available mutual funds may be purchased by the client without the imposition of any initial or contingent deferred sales charges if the fund is a Supervised Asset as defined below (but will remain subject to the internal expenses described in each Fund prospectus' expense table). The mutual funds may impose short-term redemption fees, client should refer to the fund's prospectus for additional information regarding these fees.

Based on the Proposal, SB shall also perform an asset allocation analysis. In the event the client notifies SB of a change in the client's investment suitability and objectives contained in the Investment Questionnaire or Proposal, SB will generate a revised Proposal, and if necessary, suggest rebalancing of the account's asset allocation in accordance with the updated information.

- **Investment Services.** SB shall periodically provide the client with investment advice, which may include recommendations regarding investing in Supervised Assets in a manner consistent with the client's investment objectives; and pursuant to the client's consent, which shall be obtained prior to each transaction, will effect accepted transactions in the account.

As used in this brochure, "Eligible Assets" consist of assets held in a Smith Barney Advisor account that are (a) domestic equity and certain other securities other than securities of Citigroup ("Citigroup Securities"), including, but not limited to, common stock, convertible preferred stock, convertible bonds, shares of closed-end investment companies that may or may not be sponsored or advised by SB or its affiliates, American Depositary Receipts, and any rights or warrants on equity securities; (b) certain foreign equity securities; (c) options on domestic equity securities or indices; (d) certain unit investment trusts as specified from time to time by SB ("UITs"); (e) load-

waived shares or shares not offered with a load of certain open-end investment companies that may or may not be sponsored or advised by SB or its affiliates, as specified from time to time by SB; (f) load carrying shares of certain open-end investment companies, as specified from time to time by SB, that have been purchased on a load basis outside of the Smith Barney Advisor account (such no-load and load investment companies collectively referred to as “Funds”); (g) ETFs; (h) certain fixed-income securities (including, but not limited to, U.S. Treasury and federal agency securities, corporate bonds, municipal bonds, preferred stock, and mortgage-backed securities) as specified from time to time by SB; or (i) cash and cash equivalents (e.g., money market funds and certain short-term fixed income securities) (“Cash Equivalents”).

As used herein, “Ineligible Assets” include, but are not limited to, Citigroup Securities, insurance, annuities, limited partnership interests or units, precious metals or other commodities or futures thereon, options on futures, currency options, foreign currency, commercial paper, certificates of deposit, bankers acceptances, and unit investment trusts, investment company shares and fixed income securities that are not Eligible Assets as described above.

As used herein, “Supervised Assets” consists of all cash and Cash Equivalents as well as all other assets in the Account that are not Unsupervised Assets. “Unsupervised Assets” means all Ineligible Assets (as defined below); as well as any Eligible Assets that (i) are not cash or Cash Equivalents, (ii) Client requests be included in Unsupervised Assets and (iii) SB accepts as Unsupervised Assets. Notwithstanding anything to the contrary in this brochure, SB shall not provide any investment advisory or other services contemplated by this brochure with respect to Unsupervised Assets. Unsupervised Assets will not be included in the calculation of the Fee (as defined below).

SB will not provide advice with respect to Outside Assets or with respect to Unsupervised Assets.

SB may add or delete classes of securities or assets from the definition of Eligible Assets from time to time, and upon notice to the client. In addition, without notice to the client, SB may treat any Fund or other asset that is in a Smith Barney Advisor account as an “Eligible Asset”, in which case such Fund or other asset shall become an Eligible Asset. In addition, without notice to client, SB may convert any Fund in an Account that is an Ineligible Asset to a share class of the same Fund that is an Eligible Asset. The Fund that is an Eligible Asset will become a Supervised Asset as defined in this brochure.

If a particular Fund or other asset held in a Smith Barney Advisor account becomes an Eligible Asset, such Fund or other asset will become a Supervised Asset and SB will include the Fund or other asset in the Review and in the account asset value for purposes of calculating the client's Smith Barney Advisor fee, and SB shall provide the other services specified in the investment advisory agreement with respect to that Fund or other asset. If a Fund or other asset becomes an Eligible Asset during a billing period, the account may be subject to a pro-rata fee based on the number of days remaining in the billing period. Accordingly, any asset in a Smith Barney Advisor account may be or become subject to the Smith Barney Advisor fee.

At least 2200 Funds are available to Smith Barney Advisor clients. In determining whether a family of Funds should be available to clients, SB generally reviews and considers a number of factors, including but not limited to the number and variety of funds offered; length of track record and historic appeal to SB clients and Financial Advisors; short- and long-term performance of the funds offered; size of assets under management; ability to support Financial Advisors and clients through training, education and sales literature; and level of interest and demand among clients and Financial Advisors. Of the Funds available to Smith Barney Advisor clients, certain funds are covered under the Opinion Research or Access Research as described in the “Research in Advisory Programs” set forth below. SB currently receives a fee of 0.10% from all participating mutual funds for non-ERISA assets. Thus, SB has a conflict to recommend mutual funds over individual securities or ETF's.

SB and SB Financial Advisors may also provide other services in connection with the Smith Barney Advisor program. Any such services will be specified in the Investment Advisory Agreement between SB and the client.

Smith Barney Advisor is an ongoing investment advisory service. Once an account is active, the client receives a Review highlighting account performance. The Review is a monitoring report containing an analysis and evaluation of the Smith Barney Advisor account provided to assist the client in ascertaining whether the objectives for the Smith Barney Advisor account are being met and recommending, when appropriate, changes in the allocation of assets among investment types. In addition to the Review, the client receives account statements in any month in which there is activity and, in any event, quarterly. Client will also receive confirmations of all transactions.

Smith Barney Advisor Fees

The annual fee for participation in the Smith Barney Advisor program by the client is payable quarterly and determined according to the following schedule:

<u>Account Asset Value:</u>	<u>Annual SB Fee to client</u>
First \$500,000	2.00%
Next \$500,000	1.50%
Next \$1,000,000	1.20%
Balance over \$2,000,000	1.00%

Additional Smith Barney Advisor Fee Information

In situations where a Smith Barney Advisor account is used in conjunction with one or more Fiduciary Services accounts in IIS, there is no minimum account size or fee requirement for the Smith Barney Advisor account, however Client is subject to the minimum account sizes and fees required under the Fiduciary Services programs. When a Smith Barney Advisor Account is the sole account under an IIS relationship, Client must have a minimum of \$25,000 in Eligible Assets in Smith Barney investment advisory accounts of members of the same household as client. In the event this requirement is not satisfied at any time SB may, in its discretion, terminate this Agreement and remove the Account from the Program.

The annual fee may be subject to negotiation. The annual fee and minimum amounts may differ based on a number of factors, including, but not limited to the amount of Smith Barney Advisor assets and the number and range of supplemental advisory and client related services to be provided by SB and the Financial Advisor responsible for the Smith Barney Advisor assets. Fees are generally paid quarterly, in advance. In addition to the Smith Barney Advisor fee, the client will bear a proportionate share of the fees and expenses incurred by the Funds in which the client is invested. The prospectus of each of these Funds describes these internal fees and expenses in detail. For more information relating to fees please see the sections entitled “***Additional Information Regarding Fees and Charges***” and “***Compensation from Funds***” in the “**GENERAL ACCOUNT INFORMATION**” section below.

The Smith Barney Advisor Program is available only as an asset-based fee paid to SB. This fee covers the services described above, as well as custody of securities and trade execution on Supervised Assets with or through SB.

Any fee which a trust company affiliated or not affiliated with SB charges for its services (if applicable) as custodian and trustee for the Smith Barney Advisor assets pursuant to a separate agreement between the client and the trust company will be charged separately.

Interest will be charged to a client's account should the account show a debit balance. The “net equity” value of the Supervised Assets in the Account shall be utilized for the purpose of calculating the Fee. Any debit balance will not be deducted from the account balance for the purpose of the calculation of the Smith Barney Advisor fee.

A client or SB may terminate participation in the Smith Barney Advisor Program at any time, by giving written notice to SB. If participation in the Smith Barney Advisor Program is terminated, any advisory fees paid in advance will be refunded on a pro-rata basis.

Participation in the Smith Barney Advisor Program may be available for a reduced charge, or without charge, and/or subject to a lower minimum initial investment requirement to employees of SB and its affiliates, to their immediate families and to individual retirement accounts and certain employee pension benefit plans for these persons.

CONSULTING AND EVALUATION SERVICES

In the Consulting and Evaluation Services (“CES”) Program, SB provides clients with assistance in selecting one or more investment management firms to manage their accounts. SB may also provide trade execution, custody and related services. The minimum account size is established by the individual investment manager. In CES, the client typically enters into an investment advisory contract directly with the investment manager. Many investment

management firms available through CES are otherwise available only to clients with significantly greater assets to invest.

Services Provided

In CES, SB analyzes a client's investment objectives and recommends one or more investment management firms in light of those objectives. Recommended managers are independent of SB.

SB does not exercise discretion for CES clients with respect to the retention of an investment manager; instead, SB makes recommendations, which the client may or may not follow. The client enters into an agreement with SB relating to its services and also into a separate investment advisory agreement with the investment manager. The manager is responsible for the implementation of any restrictions placed by the client on the account. There are no restrictions on the client's ability to contact and consult directly with an investment manager, although clients are encouraged to discuss their accounts with their SB Financial Advisors. In addition to providing consulting and evaluation services regarding the client's use of investment managers, SB may perform custody, execution and related services.

Recommendation of Investment Management Firms

Investment manager are evaluated through Opinion or Access Research, and periodically reviewed, as described for the Fiduciary Services—Unaffiliated Manager Program and as described below in the section entitled "*Research in Advisory Programs*."

As in the Fiduciary Services Programs, changes in a client's objectives are communicated by SB to the managers retained by the client. Because CES clients have independent contractual relationships with their investment management firms, SB cannot terminate a manager or reduce the assets allocated to it in light of SB's review efforts. However, if those efforts indicate that doing so is in a client's best interests, SB may recommend that the client take such action.

IAR also maintains a "Watch" policy for investment managers in its CES program. IAR's "Watch" policy is more fully described below under "Watch Policy". A Watch Status may, but is not certain to, result in a downgrade of the product's recommended status.

Account Information

SB will confirm all transactions executed through SB and provide account statements at least quarterly. Clients may elect to waive the receipt of trade confirmations after the completion of each trade in favor of alternative methods of communication. Clients whose assets are in SB's custody will periodically receive a Performance Review, which is an extensive statistical review and analysis of the account. The Performance Review is also available to clients whose assets are not in SB's custody, and a fee may be charged for this service.

Fees

CES services are available on an asset-based fee basis, where the clients' fees to SB cover its services in reviewing and recommending investment managers as well as SB's custody of securities and trade execution. Clients bear the cost of commissions or other transaction charges with respect to securities trades directed by the investment manager to firms other than SB for execution. Alternatively, SB may be compensated on a non-asset-based fee basis solely by collecting commissions or other charges on transactions made for the client's account. In either case, the client pays separate fees to the investment manager employed. Transactions in fixed income and certain other securities may involve dealer mark-ups or mark-downs or other charges in addition to the asset-based fees. To the extent investment managers direct trades in such securities to SB for execution, SB may realize profits or losses in connection with such trades that are separate from or additional to the fees paid by the CES client but will not charge the client any mark-up or mark-down. See "GENERAL ACCOUNT INFORMATION—Additional Information Regarding Fees and Charges." Certain CES managers have entered into "prime brokerage" arrangements with SB; in which case, such managers may pay additional compensation to SB in consideration for such services. However, clients of such managers will not be charged any amount in addition to the manager fee and the fees or commissions charged by SB. The standard annual CES asset-based fees charged by SB are as follows:

CONSULTING AND EVALUATION SERVICES

Equity and Balanced Accounts

Assets	Annual Fee
First \$500,000	2.20%
Next \$500,000	1.70%
Next \$1 million	1.20%
Next \$3 million	0.65%
Next \$5 million	0.60%

Fixed Income Accounts

Assets	Annual Fee
First \$500,000	0.75%
Next \$500,000	0.55%
Next \$1 million	0.40%
Next \$3 million	0.25%
Next \$5 million	0.20%

Fees are negotiable based on the level of services provided and types of securities traded, which may result in a particular client paying a fee either greater than or less than the standard fees. For accounts larger than \$10 million, fees generally are arranged separately on the basis of services provided. Fees generally are payable quarterly in advance. In addition to fees paid to SB, in the CES program, clients pay investment management fees separately to the investment manager. As an accommodation to the client, investment manager's fees may be payable through SB, which debits the client's account and remits the advisory fee to the investment manager. SB is not responsible for verifying the rate, or computing the manager fees or the value of the account used in this connection. In addition, the client will bear a proportionate share of the fees and expenses incurred by any mutual funds in which the client is invested. The prospectus of each of these funds describes these internal fees and expenses in detail. For more information relating to fees please see the section below entitled "Compensation from Funds".

INVESTMENT MANAGEMENT SERVICES PROGRAM

Under the Investment Management Services ("IMS") Program, SB provides services which may include custody, execution and related services, to clients who retain investment management firms unaffiliated with SB that are not available in Consulting and Evaluation Services or the Fiduciary Services Programs. SB provides no advice to clients on such management firms and does not make any representation regarding the competence of the firm, the ability of the firm to perform its duties or the information, including any performance data, provided by the firm. The minimum account size generally is established by the individual investment manager.

Services Provided

Under IMS, selection of an investment management firm is entirely up to the client. SB does not evaluate the manager selected by the client and makes no representations as to the quality, performance or suitability of the manager for any client. However, clients should be aware that IAR may review investment management firms for inclusion in one or more of its recommended programs, and conclude that the investment management firm has failed to meet the criteria for acceptance into the program(s). In these cases, CG may make this information available to clients.

In IMS, the client enters into an investment advisory contract directly with the investment manager. The services provided by SB are limited to one or more of custody and trade execution. SB does not enter into a contractual relationship with the investment manager. Consequently, SB has no ability to terminate an investment manager and will not make recommendations in this regard. The manager is responsible for the implementation of any restrictions placed by the client on the account. There are no restrictions on the client's ability to contact and consult directly with the investment manager.

Account Information

SB provides clients with confirmations of all transactions executed through SB and with account statements at least quarterly. Clients may elect to waive the receipt of trade confirmations after the completion of each trade in favor of alternative methods of communication. Clients whose assets are in SB's custody periodically receive a Performance Review, which is an extensive statistical review and analysis of the account. The Performance Review also is available to clients whose assets are not in SB's custody and a separate fee may be imposed for this service.

Fees

IMS clients pay investment management fees directly to the investment managers. For its provision of services under IMS, the standard annual fees charged by SB are as follows:

INVESTMENT MANAGEMENT SERVICES

Equity and Balanced Accounts

Assets	Annual Fee
First \$500,000	2.20%
Next \$500,000	1.70%
Next \$1 million	1.20%
Next \$3 million	0.65%
Next \$5 million	0.60%

Fixed Income Accounts

Assets	Annual Fee
First \$500,000	0.75%
Next \$500,000	0.55%
Next \$1 million	0.40%
Next \$3 million	0.25%
Next \$5 million	0.20%

These fees include custody of securities by SB (such service is optional), trade execution with or through SB and provision of the Performance Review. Clients bear the cost of commissions or other transaction charges with respect to securities trades directed by the investment manager to firms other than SB for execution. Transactions in fixed income and certain other securities may involve dealer mark-ups or mark-downs or other charges in addition to the asset-based fees. To the extent investment managers direct trades in such securities to SB for execution, SB may realize profits or losses in connection with such trades that are separate from or additional to the fees paid by the IMS client but will not charge the client any mark-up or mark-down. See “GENERAL ACCOUNT INFORMATION—Additional Information Regarding Fees and Charges.” All fees are negotiable based on the size of the account, the services provided and the types of securities traded. This may result in a particular client paying a fee greater or less than the standard fees above. Fees are generally payable quarterly, in advance. Alternatively, SB may be compensated on a non-asset-based fee basis solely by collecting commissions or other charges on transactions made for the client’s account. For accounts larger than \$10 million, fees generally are arranged separately on the basis of services provided. As an accommodation to the client, the fees charged by the independent investment manager may be payable through SB, which debits the client’s account and remits the advisory fee to the investment manager. SB is not responsible for verifying the rate, or computing the manager fees or the value of the account used in this connection.

ALTERNATIVE INVESTMENTS PROGRAMS

Services Provided

In the Alternative Investments Programs, IAR may provide research and advice to selected clients with respect to alternative investments that may or may not be affiliated with SB. For each alternative investment that it recommends, SB, in its sole discretion, may or may not create and make available a written report of such review. SB’s recommendation is based on information conveyed to it in writing by the client and such additional information as is reasonably required by SB to provide an appropriate recommendation. This is a non-discretionary service, and clients are responsible for executing participation agreements directly with each alternative investment. IAR’s evaluation may continue on an on-going basis, and Consulting Group may recommend a termination of the client’s participation interest if IAR deems it advisable. In the event that SB makes a determination that a particular alternative investment previously recommended to, and subscribed by, client is no longer a recommended investment for client, where possible it shall be the client’s option to change or continue to participate in the alternative investment. If the client wishes to continue to participate in the alternative investment, SB shall no longer provide any recommendation or advice regarding such alternative investment. However, client shall continue to pay SB the alternative investments consulting fee in recognition of the advice previously provided by SB and where applicable for continuing services such as performance measurement and monitoring. Depending upon the specific alternative investment, such as an alternative investment that is subject to a lock-up period, client may not be able to liquidate the investment. Prior to investing, clients should review the offering materials for such illiquid investments, in particular the terms of any restrictions on the premature termination or liquidation of client’s investment.

Evaluations of certain alternative investments, including but not limited to investments affiliated with SB, are conducted by an independent consulting firm also in the business of evaluating the capabilities of alternative investments. The independent consulting firm generally follows a methodology similar to that used by the IAR in reviewing such alternative investments.

Special Considerations

As further described in the offering documents, an investment in alternative investments can be highly illiquid, is speculative and not suitable for all investors. Investing in Alternative Investments is intended for experienced and sophisticated investors only who are willing to bear the high economic risks of the investment. Investors should carefully review and consider potential risks before investing. Certain of these risks may include loss of all or a substantial portion of the investment due to leveraging, short-selling, or other speculative practices; lack of liquidity in that there may be no secondary market for the fund and none expected to develop; volatility of returns; restrictions on transferring interests in the fund; potential lack of diversification and resulting higher risk due to concentration of trading authority when a single advisor is utilized; absence of information regarding valuations and pricing; complex tax structures and delays in tax reporting; less regulation and higher fees than mutual funds; and advisor risk. Individual funds will have specific risks related to their investment programs that will vary from fund to fund.

Fees

In exchange for its services, SB may charge a consulting fee, receive a fee from the alternative investment or its sponsors or their affiliates, or a combination of both. Minimum account sizes are determined by the alternative investment manager. Fees are negotiable based on a number of factors, which may result in a particular client paying a fee greater or less than the standard fees. The amount of compensation received by SB and/or its affiliates may be greater if the account is managed by an alternative investment affiliated with SB, rather than an unaffiliated alternative investment. While the consulting fee includes compensation for SB's services, it does not include any fees or charges attributable to the client's participation in the alternative investment for which the client is separately responsible. SB's consulting fee is based on a percentage of the market value provided by the alternative investment manager as reflected in the client's alternative investments account. In cases where SB receives a portion of the management fee paid by a client to an alternative investments manager, and where SB charges a consulting fee, SB credits such fee to the client's account. In cases where SB charges a consulting fee, the standard annual fees charged by SB are as follows:

ALTERNATIVE INVESTMENT PROGRAMS

Assets	Annual Fee
On the first \$500,000	2.20%
On the next \$500,000	1.70%
On the next \$1,000,000	1.20%
On the next \$3,000,000	0.65%
Assets over \$5,000,000	0.60%

INSTITUTIONAL SERVICES PROGRAM

SB and the Consulting Group provide Institutional Services ("IS") to corporations, Taft-Hartley funds, endowments, foundations, public and private retirement funds (including 401(k) plans) and similar clients with respect to the development of investment policy, asset allocation, investment manager selection and evaluation, performance measurement, and portfolio analysis and attribution. For certain clients, SB may also provide information and advice regarding mutual funds and alternative investments. The services provided are tailored to the specific needs of individual clients. In addition to these investment consulting services, SB also offers custody and execution to IS clients.

Services Provided

Development of Investment Objectives and Policies: The SB Financial Advisor may work closely with IS clients to develop and/or review its investment policies and objectives and standards for performance review.

Asset Allocation. The SB Financial Advisor may assist IS clients in the review and recommendation of asset allocation strategies appropriate for the client's risk and return objectives.

Investment Manager Search: The SB Financial Advisor shall assist the client in identifying investment management firms for possible retention by the client or by SB on the client's behalf. Manager candidates may be identified by the client or, alternatively, by the Consulting Group itself. Citi Global Wealth Management Investment Advisor

Research (“IAR”) uses two methods to evaluate investment managers, please review the section titled “Research In Advisory Programs” for more information.

Identification of Exchange Traded Funds: The SB Financial Advisor shall assist the client in identifying Exchange Traded Funds for possible retention by the client. Citi Global Wealth Management Investment Advisor Research (“IAR”) uses two methods to evaluate exchange traded funds, please review the section titled “Research In Advisory Programs” for more information.

Performance Measurement: The Consulting Group may provide the client with customized performance reports using graphic and other analyses. The reports may include comparisons to recognized or customized benchmarks and market segments.

Alternative Investments Consulting: The Consulting Group may provide the client with alternative investments consulting. This is a non-discretionary service, and clients are responsible for executing participation agreements directly with each alternative investment. A complete description of the Alternative Investments Programs, including fees and services, can be found on the preceding pages.

Custody and Statements: As optional services, SB will provide custody and account statements at least quarterly.

Fees

Fees may be charged quarterly in advance or in arrears. The minimum account size is generally \$10 million. The fees for IS accounts are negotiable and vary based upon a number of factors, including, but not limited to, the type of Account, the size of the Account, the historical or projected nature of trading for the Account, and the number and range of advisory and client-related services to be provided.

The standard asset based fee schedule is detailed below:

Account Asset Value:	Annual IS Fee to client
First \$5,000,000	1.35%
Next \$5,000,000	0.80%
Next \$15,000,000	0.40%
Next \$25,000,000	0.30%
Next \$50,000,000	0.20%
Next \$100,000,000	0.10%
Over \$200,000,000	Negotiable

In addition, the client may select any of the services listed below subject to the following minimum fees for each and an overall minimum engagement fee of \$15,000:

Historical Analysis	\$2,500 per portfolio per year
Investment Policy Statements	Initial: \$5,000 Update: \$2,500
Strategic Asset Allocation Studies	Initial: \$7,500 Update: \$3,000
Active Asset Allocation (on-going retainer only)	\$10,000 per year
Manager Search	\$5,000 per search
Performance Measurement (on-going retainer only)	Per portfolio: \$2,000 to \$5,000 per year For combined accounts: \$1,000 to \$2,000 per year

Alternative Investments Performance Reporting Service Provided by CGM

CGM also offers IS clients the ability to receive periodic reports that provide historical performance reporting of their alternative investments that were not purchased through CGM, are not custodied by CGM and are not covered by CGM research. Client understands and acknowledges that the alternative investment historical performance information provided in this reporting service is based upon information provided, directly or indirectly, to CGM by the issuer, or its sponsor, investment manager or administrator ("Performance Reporting AI"). CGM's ability to provide historical or other performance information on alternative investments is dependent upon its ability to obtain such information from each Performance Reporting AI.

The reporting service enables Client to receive from CGM periodic reports containing Client's historic performance for alternative investments as reported by such Performance Reporting AI. Client also may receive composite reports that show historic performance of alternative investments as reported by Performance Reporting AI, along with historic performance of other investments that were/acquired through CGM, custodied by CGM and/or followed by CGM research, and those that are not.

Client understands and acknowledges that the performance information provided in a periodic performance review is based upon information provided to CGM by the Performance Reporting AI and that CGM does not independently verify such information. CGM shall not be liable for any misstatement or omission made by the Performance Reporting AI for any loss, liability, claim, damage or expense arising out of such misstatement or omission.

The parties agree that this reporting service does not constitute investment advice or a recommendation by CGM of any alternative investment and CGM is not evaluating the appropriateness of the initial investment or the continued investment in the investments covered under this program. In addition, the parties agree that this reporting service does not constitute, create, or impose a fee-based brokerage relationship, a fiduciary relationship or an investment advisory relationship under the Investment Advisers Act of 1940 as amended with regard to the investments covered under this service. If Client is an employee benefit plan or is otherwise subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), Client or the fiduciary acting on behalf of Client acknowledges, understands and agrees that CGM is NOT a fiduciary (as defined in ERISA) with respect to this reporting service and will not become a fiduciary by reason of the Client utilizing this service.

Client acknowledges that CGM is not responsible for tax reporting in respect of any alternative investment as reported by a Performance Reporting AI.

Please note that CGM generally does not maintain custody of alternative investments as reported by a Performance Reporting AI and therefore those investments are not covered by SIPC.

The fee charged to Client pursuant to this Performance Reporting Service shall not include any fees or charges for other services in connection with Client's participation in any alternative investment or as charged by a Performance Reporting AI for which Client shall be separately and solely responsible.

For purposes of calculating the fee for this service, the market value of the alternative investments shall be based on the then currently available market value, estimated or actual, as reported by the Performance Reporting AI (and that CGM does not independently verify such information), of amounts funded to the Performance Reporting AI manager. CGM shall not be liable for any mistake or miscalculation made by an alternative investment or its Performance Reporting AI, or any loss, liability, claim, damage or expense arising out of such mistake or miscalculation. The fee shall not be charged on committed, but not yet funded investments.

<u>Account Asset Value:</u>	<u>Annual Performance Reporting Fee to Client</u>
First \$5,000,000	0.25%
Next \$5,000,000	0.11%
Next \$15,000,000	0.10%
Next \$25,000,000	0.09%
Next \$50,000,000	0.05%
Next \$100,000,000	0.045%

Over \$200,000,000

Negotiable

INSTITUTIONAL SERVICES PROGRAM – For Participant Directed Retirement Plans

In addition to the above Institutional Services SB and the Consulting Group may provide the following additional services specifically to participant directed retirement plans.

Services Provided

Asset Classification. CGM shall provide the Client with general financial and investment information relating to such concepts as diversification and asset classification with respect to various asset classes and historic rates of return.

Participant Education. CGM shall provide the Client and/or its employees eligible to participate in Client's Plan with general financial and investment information relating to such concepts as diversification, asset allocation and historic rates of return.

Fees

Fees may be charged quarterly in advance or in arrears. The fees for IS accounts are negotiable and vary based on the level of service selected by the client:

The standard asset based fee schedule for participant directed retirement plans is detailed below:

<u>Account Asset Value:</u>	<u>Annual IS Fee to client</u>
First \$5,000,000	0.60%
Next \$5,000,000	0.40%
Next \$15,000,000	0.25%
Next \$25,000,000	0.15%
Next \$50,000,000	0.08%
Next \$100,000,000	0.05%
Over \$200,000,000	Negotiable

In addition, the client may select any of the services listed below subject to the following minimum fees for each and an overall minimum engagement fee of \$15,000:

Investment Policy Statements	Initial: \$5,000 (Update: \$2,500)
Asset Style Analysis	Initial: \$7,500 (Update: \$3,000)
Mutual Fund Search	\$5,000 per search
Performance Measurement	Per fund: \$2,000-\$5,000 per year (on-going retainer only)
Generic Participant Education*	\$1,500 per day

* Participant education is not intended to be a standalone service and will be offered in addition to a full consulting assignment. Participant education can be included as part of the overall asset-based fee or separately at \$1,500 a day rate.

FIDUCIARY ASSET MANAGEMENT PROGRAM

The Fiduciary Asset Management Program ("FAM" or "Fiduciary Asset Management") is generally for institutional and high net worth clients. In FAM, a client appoints SB as the discretionary investment manager, relative to the selection of unaffiliated investment management firms to manage the client's accounts. In addition to investment management, SB also provides custodial, execution and related services for a single asset-based fee. FAM is a

discretionary program in which SB retains discretion as to the selection and allocation among unaffiliated investment managers. The Fiduciary Asset Management program is designed to manage the overall investment management process, including investment policy decisions, asset and investment style allocation decisions, manager selection and review, and comprehensive monitoring of each client's investment portfolios. Fiduciary Asset Management is operated as a "manager of managers" program.

Services Provided

In Fiduciary Asset Management, SB's Consulting Group manages the client's portfolio on a discretionary basis. SB will assume responsibility for the implementation of all investment strategies through the selection-approval and ongoing monitoring of independent sub-advisors. Consulting Group also assumes full discretion over asset allocation decisions as well as decisions to terminate any sub-advisor relationships, and provides to the client ongoing financial-management services such as investment-performance reporting, administration, trade execution and custody. Based on a client's long-term strategic policy allocation parameters and other investment constraints, Fiduciary Asset Management looks for opportunities in asset classes or investment styles with above average expected rates of return, while managing overall portfolio risk in accordance with the client's investment policy. As a "manager of managers," SB assumes full responsibility for the ongoing operation of a comprehensive investment-management program in order to:

- Establish fund objectives
- Formulate investment policies
- Allocate assets
- Select investment managers
- Recordkeeping and reporting
- Control portfolio expenses
- Maintain custody
- Manage ERISA obligations

In order to assess the appropriateness of the underlying assets of the current portfolio, SB conducts a review of the investment policy, asset allocation, and fund assets, which follows these key steps:

- Investment Policy Statement – The preparation of an investment policy statement ("IPS") is crucial in the evaluation of the client's risk tolerance and investment objectives. Through the FAM program, SB will assist in the determination of the client's absolute needs for liquidity, income, growth of income, growth of principal and preservation of capital. Developing an IPS assists the client in selecting and developing an investment strategy designed to optimize the probability of achieving their objectives. In addition, the IPS provides a framework, which enables the portfolio manager properly execute their fiduciary duty.
- Current Portfolio Analysis - SB will complete a thorough due-diligence evaluation of the client's current investment programs, including investment structure, individual components of each fund, the fee structure, manager selection process, possible conflicts of interest, peer universe comparison within appropriate asset classes and ongoing evaluation procedures. The analysis will culminate in a business evaluation of all contracts, custodial documents, performance monitors and possible on-site visits with your current service providers.
- Asset Allocation Analysis– In addition to the evaluation of the current portfolio structure, SB will complete a detailed analysis of asset allocation and the basis for the asset-allocation decisions. The analysis will be completed to understand and evaluate the modeling process. The asset allocation input estimates the frequency and basis for their updates. This is a key component in SB's risk management evaluation for investment portfolios.

Account Information

SB provides confirmations for all transactions, as well as account statements at least quarterly. Periodically, clients will receive a Performance Review, which is an extensive statistical review and analysis of the account. Clients may elect to waive the receipt of trade confirmations after the completion of each trade in favor of alternative methods of communication. Clients may also receive mutual fund prospectuses, where appropriate.

In the FAM program, a client may request in writing that certain specified securities not be purchased for his or her account. Also, a client generally may specify that certain categories of securities not be purchased. In this event, the Manager will determine in its sole discretion the specific securities that will be treated as falling within the restricted category. In making this determination, the Manager may rely on outside sources, such as standard industry codes and research furnished by independent service providers.

Fees

The client pays an asset-based fee to SB, which covers investment advisory services, the investment manager's fee, custody of securities, trade execution with or through SB, as well as compensation to any SB Financial Advisor. Clients bear the cost of commissions or other transaction charges with respect to securities trades directed by the investment manager to firms other than SB for execution. Transactions in fixed income and certain other securities may involve dealer mark-ups or markdowns or other charges in addition to the asset-based fees, although generally SB will not realize any additional compensation. See "GENERAL ACCOUNT INFORMATION—Additional Information Regarding Fees and Charges". The maximum annual fee for the Fiduciary Asset Management Program is the sum of the Annual Fee and the Investment Manager Fee as follows:

FIDUCIARY ASSET MANAGEMENT PROGRAM

Assets	Annual Fee	Investment Manager Fee Equity & Balanced	Investment Manager Fee Fixed-Income
First \$5,000,000	1.350%	1.00%	0.50%
Next \$5,000,000	0.800%	1.00%	0.50%
Next \$15,000,000	0.400%	1.00%	0.50%
Next \$25,000,000	0.300%	1.00%	0.50%
Next \$50,000,000	0.200%	1.00%	0.50%
Next \$100,000,000	0.100%	1.00%	0.50%

The client will bear a proportionate share of the fees and expenses incurred by any mutual funds in which the client is invested. The prospectus of each of these funds describes these internal fees and expenses in detail. For more information relating to fees please see the section below entitled "Compensation from Funds".

Fees are negotiable based on a number of factors, which may result in a particular client paying a fee greater or less than the standard fees. Fees are generally payable quarterly in advance. SB pays managers up to 1.00% for equity, balanced and multi-style accounts and 0.50% for fixed accounts. The portion of such asset-based fee paid by CGM on to investment management firms depends upon the asset class, the investment style and the total amount of assets allocated to the investment manager in the FAM Program.

PORTFOLIO MANAGEMENT PROGRAM

The Portfolio Management Program ("PM"), a part of the SB Portfolio Management Group, offers discretionary, individualized management services to clients. The minimum account size is \$25,000.

Services Provided

PM is administered and overseen by SB's PMG personnel. PM accounts are managed by selected SB Financial Advisors who have successfully completed an educational program that includes coursework in investment analysis and portfolio management. Under certain circumstances, based primarily upon the FA's prior investment experience, this educational program may be waived by the Program Director of the SB Portfolio Management Group. Working in his or her local SB branch office, a PM Portfolio Manager assists his or her client in determining investment objectives and then manages the client's account on a discretionary basis in a manner consistent with those objectives.

In managing client accounts, the PM Portfolio Manager is subject to certain guidelines established by PM relating to economic sector and security diversification, approval of securities including mutual funds and ETFs which may be

purchased for PM accounts and asset-mix parameters. Limited types of options transactions (i.e., covered options writing, protective put buying, purchases of puts, calls and LEAPs) may also be conducted.

A PMG Portfolio Manager may agree with a client to implement a client-developed investment strategy that the client believes is sensitive to the client's particular tax situation. As neither PM, SB nor any SB affiliate provides tax advice, however, neither PM, SB nor any SB affiliate will be responsible for the development, evaluation or efficacy of any such tax-sensitive strategy. Any such strategy needs to be developed by the client in consultation with a qualified tax adviser. Certain tax-sensitive strategies that PM may pursue involve risks. Among others, tax-efficient management services involve an increased risk of loss because your Account may not receive the benefit (e.g., realized profit, avoided loss) of securities transactions that would otherwise take place in accordance with the Portfolio Manager's investment management decisions for the Account.

Account Information

SB provides clients with confirmation of all transactions executed through SB, account statements at least quarterly and periodic Performance Reviews, which are statistical analyses of the account. Clients may elect to waive the receipt of trade confirmations after the completion of each trade in favor of alternative methods of communication. Clients may also receive mutual fund prospectuses, where appropriate.

In the PM program, a client may request in writing that certain specified securities not be purchased for his or her account. Also, a client generally may specify that certain categories of securities not be purchased. In this event, SB will determine in its sole discretion the specific securities that will be treated as falling within the restricted category. In making this determination, SB may rely on outside sources, such as standard industry codes and research furnished by independent service providers.

Fees

Except in certain limited cases as described more fully below, the client pays an asset-based fee to SB which covers investment advisory services, custody of securities and trade execution with or through SB. Transactions in fixed income and certain other securities may involve dealer mark-ups or mark-downs or other charges in addition to the asset-based fees, although generally SB will not realize any additional compensation. SB currently receives a fee of 0.10% from all participating mutual funds for non-ERISA assets. Thus, SB has a conflict to recommend mutual funds over individual securities or ETF's. See "GENERAL ACCOUNT INFORMATION—Additional Information Regarding Fees and Charges." The standard annual fees for equity, balanced and fixed income accounts in the program are as follows:

PORTFOLIO MANAGEMENT PROGRAM

Equity, Balanced and Multi-Style Accounts

Assets	Annual Fee
First \$500,000	3.00%
Next \$500,000	2.50%
Above \$1 million	2.00%

Fixed Income Accounts

Assets	Annual Fee
First \$500,000	1.25%
Next \$500,000	1.00%
Next \$1 million	0.85%
Over \$2 million	0.75%

Minimum Account Size: \$25,000

SB shall be entitled to a minimum annual fee of \$281 for Accounts utilizing the PM program. Fees are negotiable based upon a number of factors including, but not limited to, the type and size of the account and the range of services provided by the PM Portfolio Manager. In some instances clients may pay a higher fee than indicated in the fee table above. Fees generally are payable quarterly and in advance. Because this program does not involve investment managers unaffiliated with SB, SB retains the entire fee.

In addition, the client will bear a proportionate share of the fees and expenses incurred by any mutual funds in which the client is invested. The prospectus of each of these funds describes these internal fees and expenses in detail. For more information relating to fees please see the section entitled "Compensation from Funds" on page 22 below.

GUIDED PORTFOLIO MANAGEMENT PROGRAM

The Guided Portfolio Management Program (“GPM”), a part of SB Portfolio Management Group, offers discretionary, individualized investment management largely based on SB research. The minimum account size for Equity and Balanced accounts is \$25,000. The minimum account size for Fixed Income accounts is \$100,000.

Services Provided

GPM is administered and overseen by SB’s PMG personnel. GPM accounts are managed by selected SB Financial Advisors who have successfully completed an investment analysis and portfolio management training session. Working in his or her local SB branch office, the SB Financial Advisor helps the client select the appropriate investor categories: Growth Equity, Equity Income, Balanced Growth, Balanced Moderate, Fixed Income and International Model. The SB Financial Advisor then implements security selections generally (but not exclusively) from securities recommended by Citi’s Equity Research Department or closed-end mutual funds or ETFs. The composition and asset allocation of each client portfolio may vary depending on a variety of factors, including, without limitation, specific investment goals and restrictions articulated by a client and overall economic and market conditions.

In managing accounts, SB Financial Advisors must comply with guidelines set by the SB Portfolio Management Group concerning asset allocation, economic sector and position diversification, and fixed income components. ETFs and limited types of options transactions (i.e., covered options writing and protective put buying) may be conducted.

Account Information

SB provides clients with confirmations of all transactions, account statements at least quarterly and a periodic Performance Review, which is an extensive statistical review and analysis of the account. Client may elect to waive the receipt of trade confirmations after the completion of each trade in favor of alternative methods of communication. Clients may also receive mutual fund prospectuses, where appropriate.

In the GPM program, a client may request in writing that certain specified securities not be purchased for his or her account. Also, a client generally may specify that certain categories of securities not be purchased. In this event, SB will determine in its sole discretion the specific securities that will be treated as falling within the restricted category. In making this determination, SB may rely on outside sources, such as standard industry codes and research furnished by independent service providers.

Fees

The client pays an asset-based fee to SB which covers investment advisory services, custody of securities and trade execution with or through SB. Transactions in fixed income and certain other securities may involve dealer markups or mark-downs or other charges in addition to the asset-based fees, although generally SB will not realize any additional compensation. SB currently receives a fee of 0.10% from all participating mutual funds for non-ERISA assets. Thus, SB has a conflict to recommend mutual funds over individual securities or ETF’s. See “GENERAL ACCOUNT INFORMATION—Additional Information Regarding Fees and Charges”. The standard annual fee for the GPM program is as follows:

GUIDED PORTFOLIO MANAGEMENT PROGRAM

Equity, Balanced and Multi-Style Accounts

Assets	Annual Fee
First \$500,000	3.00%
Next \$500,000	2.20%
Next \$1 million	1.90%
Over \$2 million	1.70%

Minimum Account Size: \$25,000

Fixed Income Accounts

Assets	Annual Fee
First \$500,000	1.25%
Next \$500,000	1.00%
Next \$1 million	0.85%
Over \$2 million	0.75%

Minimum Account Size: \$100,000

SB shall be entitled to a minimum annual fee of \$375 for Equity and Balanced accounts and \$625 for Fixed Income accounts. Generally, fees are negotiable and are payable quarterly in advance. Because this program does not involve investment managers unaffiliated with SB, SB retains the entire fee. If the client intends on investing a

majority of his or her assets in ETF's the Client should consider utilizing the Exchange Traded Funds Program noted below.

In addition, the client will bear a proportionate share of the fees and expenses incurred by any mutual funds in which the client is invested. The prospectus of each of these funds describes these internal fees and expenses in detail. For more information relating to fees please see the section entitled "Compensation from Funds" on page 22 below.

EXCHANGE TRADED FUNDS PROGRAM

The Exchange Traded Funds ("ETF") Program, a program administered by both the SB Portfolio Management Group (PMG) and SB Consulting Group, offers discretionary, individualized management services to clients. The minimum account size is \$25,000. The ETF Program operates in a manner substantially similar to the PM and GPM Programs. Any differences are noted in this section.

Services Provided

ETF accounts are managed by selected SB Financial Advisors who have successfully completed the PM or GPM educational programs that includes coursework in investment analysis and portfolio management; currently hold a Consulting Group title; or have successfully completed an educational program that includes ETF investment analysis and portfolio management ("ETF Portfolio Manager"). Under certain circumstances based primarily upon the FA's prior investment experience, this educational program may be waived by Senior Portfolio Management Group or CG Management. Working in his or her local SB branch office, an ETF Portfolio Manager assists his or her client in determining investment objectives and then manages the client's account on a discretionary basis in a manner consistent with those objectives.

In managing client accounts, the ETF Portfolio Manager is subject to certain guidelines established by PMG and CG relating to economic sector and security diversification, approval of securities which may be purchased for ETF accounts and asset-mix parameters. Limited types of options transactions (*i.e.*, covered options writing and protective put buying) may also be conducted.

Account Information

SB provides clients with confirmation of all transactions executed through SB, account statements at least quarterly and periodic Performance Reviews, which are extensive statistical analyses of the account.

Fees

Except in certain limited cases as described more fully below, the client pays an asset-based fee to SB which covers investment advisory services, custody of securities and trade execution with or through SB. Transactions in fixed income and certain other securities may involve dealer mark-ups or mark-downs or other charges in addition to the asset-based fees, although generally SB will not realize any additional compensation. SB currently receives a fee of 0.10% from all participating mutual funds for non-ERISA assets. Thus, SB has a conflict to recommend mutual funds over individual securities or ETF's. See "GENERAL ACCOUNT INFORMATION—Additional Information Regarding Fees and Charges." The standard annual fees for equity, balanced and fixed income accounts in the program are as follows:

EXCHANGE TRADED FUNDS PROGRAM

Assets	Annual Fee
On the first \$250,000	2.25%
On the next \$250,000	2.00%
On the next \$500,000	1.75%
On the next \$1,000,000	1.25%
Assets over \$2,000,000	1.00%

Minimum Account Size: \$25,000

SB shall be entitled to a minimum annual fee of \$281. Fees paid to SB in the ETF Program do not include internal expenses of the Exchange Traded Funds, which are assessed directly against the ETF. This could cause a discrepancy between the performance of the ETF and the performance of its respective benchmark.

Fees are negotiable based upon a number of factors including, but not limited to, the type and size of the account and the range of services provided by the ETF Portfolio Manager. In some instances clients may pay a higher fee than indicated in the fee table above. Fees are generally payable quarterly and in advance. Because this program does not involve investment managers unaffiliated with SB, SB retains the entire fee. In addition, the client will bear a proportionate share of the fees and expenses incurred by any mutual funds in which the client is invested. The prospectus of each of these funds describes these internal fees and expenses in detail. For more information relating to fees please see the section below entitled “Compensation from Funds”.

STRATEGIC PORTFOLIOS

Services Providedⁱⁱ

The different types of investment management portfolios described below are managed by CGM without the involvement of any Sub-Managers.

Strategic 10 Portfolios

The Strategic 10 Portfolios seek as their primary investment objective long-term capital appreciation. The portfolios are individually managed based on the implementation of the Dow Dividend Strategy. The Strategy uses a disciplined approach to identify and maintain a select portfolio of stocks from the 30 components of the Dow Jones Industrial Average (“DJIA”). The Strategy uses dividend yield as the primary criterion for portfolio selection. Individual accounts are invested on a weekly basis, purchasing the ten highest-yielding DJIA stocks at the time of inception. Accounts are generally restructured and rebalanced approximately one year from inception. There may be some circumstances when the investment manager will deviate from the discipline and make adjustments to the portfolios. CGM generally imposes an investment minimum of \$50,000 for new accounts investing in the Strategic 10 Portfolios. CGM, in its sole discretion, may waive any one or more of these minimums for any one or more accounts.

Strategic 10/A+ Portfolios

The Strategic 10/A+ Portfolios seek long-term growth of capital by implementing a highly defined and disciplined investment strategy. A disciplined approach is used to identify and maintain a select portfolio from the 30 components of the DJIA. Client accounts are individually managed based on the combined implementation of the Dow Dividend Strategy and the purchase of the A+ ranked stocks from the DJIA, as determined by Standard & Poor’s (S&P) quality ranking criteria. Each account will have approximately an initial weighting of 50% of the assets invested in each strategy. The Dow Dividend Strategy uses dividend yield as the primary criterion for portfolio selection, while the other half of each account will be based solely upon the A+ quality rankings from S&P. Accounts are generally restructured and rebalanced approximately one year from inception and annually thereafter. There may be some circumstances when the investment manager will deviate from the discipline and make adjustments to the portfolios. CGM generally imposes an investment minimum of \$50,000 for new accounts investing in the Strategic 10/A+ Portfolios. CGM, in its sole discretion, may waive any one or more of these minimums for any one or more accounts.

Fees

Clients invested in Strategic Portfolios pay CGM an annual fee of 0.30% of assets invested.

CGM’S ROLE AS OVERLAY MANAGER

CGM provides certain overlay services to the following CGM advisory programs: FS Legg Mason, CG Select ETF, CG Select UMA, and IIS. Also, it is anticipated that on or about October 1, 2008 CGM will provide certain overlay services to the CG Select program.

ⁱⁱ Applicable law or regulation may prohibit CGM from purchasing, the stock of Citigroup Inc. or securities where CGM is performing investment banking services, for portfolios if such stock were to meet the selection criteria of the applicable Strategy described below. In such event, CGM may substitute one or more other stocks (for example, the 11th highest yielding stock in the DJIA for the Strategic 10 Portfolios) for the stock(s) that it is unable to purchase and/or increase the weightings of the remaining stocks that fit the Strategy’s selection criteria.

Implementation and Coordination Services Provided

As Overlay Manager, CGM provides the following portfolio implementation and coordination services (as applicable) with respect to client accounts invested in the following programs: FS Legg Mason, CG Select ETF, CG Select UMA, and IIS programs.

- i. implementing investment instructions furnished to CGM by Sub-Managers concerning the securities to be purchased, held, or sold for client accounts and determining the amount of securities to be purchased or sold for client accounts in accordance with rules and procedures agreed to by CGM and the Sub-Managers;
- ii. placing orders for and arranging for the purchase or sale of securities with broker-dealers to implement the investment instructions of the Sub-Managers and/or communicating the amount of securities to be purchased or sold for client accounts to the Sub-Managers for execution with broker-dealers selected by the Sub-Managers;
- iii. placing orders for the purchase, sale, or redemption of shares of mutual funds and exchange-traded funds to implement the investment instructions of clients and/or Sub-Managers (applicable for portfolios and programs involving investment in such funds);
- iv. rebalancing client accounts among two or more investment styles (applicable for accounts with multiple investment styles represented);
- v. coordinating a client account's non-fund holdings (applicable for accounts with multiple non-fund investment styles represented) in consultation with the applicable Sub-Managers;
- vi. implementing reasonable restrictions imposed by a client on the management of the non-fund holdings portion of such client's account; and
- vii. managing client accounts consistent with asset allocation and non-registered fund, registered investment company or asset class selections made by clients.

CGM is directed by the applicable Sub-Manager's instructions as to the securities to purchase and sell for client accounts, except as otherwise noted in the description of a specific program. CGM follows the instructions of the sub-managers in determining the timing and extent of rebalancing among multiple investment styles in a balanced account or multiple discipline account.

In coordinating a client account's non-fund holdings, CGM may, in consultation with the applicable Sub-Managers, eliminate or reduce portfolio overlap resulting from a particular security being recommended by more than one Sub-Manager. CGM will also monitor an individual security's position size within a client's account based on parameters set by the applicable Sub-Manager and, in consultation with the Sub-Manager, reduce such position size should a security's position reach certain levels.

Types of Investments, Methods of Analysis, Sources of Information and Investment Strategies

As noted above, CGM purchases and sells securities on the basis of investment instructions furnished by Sub-Managers to CGM for implementation. In addition, for balanced accounts and Multiple Discipline Accounts, CGM follows the instructions of the sub-managers in determining the timing and extent of rebalancing among multiple investment styles. Subject to the foregoing, CGM's investment strategies may involve long-term or short-term trading, short sales, margin transactions and option writing, and generally may extend to: exchange-listed, over-the-counter and foreign securities and rights and warrants to acquire the same; corporate, municipal, foreign and U.S. government debt securities, including those guaranteed by such governments or issued by their agencies and instrumentalities and repurchase and reverse repurchase agreements including any of the foregoing; securities options; mortgage-backed or other asset-backed securities and structured notes; certificates of deposit; certain derivative instruments; commercial paper; bankers acceptances; and mutual fund shares. Not all of these strategies are appropriate for all clients, however, and only those strategies believed to be suitable will be utilized in any given client account or advisory program. It is anticipated that there may be a substantial degree of uniformity in client

portfolios of the same investment style as a result of the common investment objectives of the clients who have selected that style.

CGM may also invest client assets in unaffiliated ETFs. These funds are unmanaged and typically represent U.S. securities markets, industry and market capitalization sectors, non-U.S. country and regional markets, and other types of non-U.S. securities markets and market sectors (e.g., emerging markets). To the extent an ETF represents securities of non-U.S. issuers, it will involve the additional non-U.S. investment risks. Investments in securities of non-U.S. companies involve certain risks in addition to those risks ordinarily associated with investing in securities of domestic issuers. These additional risks include the potentially negative effects of fluctuations in foreign currency exchange rates, future political and economic developments, foreign taxation and differences in auditing and other financial standards. In addition to the wrap or management fees charged at the account level, a client will bear a proportionate share of the fees and expenses incurred by any unaffiliated ETF in which a portion of such client's account is invested.

CGM's investment management services, other than implementation of Sub-Manager investment instructions, generally rely on fundamental analysis with supplemental technical analysis which may include charting or cyclical review. Computer technology may be employed to more readily display these factors to portfolio managers. Information is derived from many sources, which may include: proprietary research; financial publications (including newspapers and magazines), industrial manuals and publications; company visits; inspections of corporate activities; direct contact with and press releases and other reports released by companies; annual reports, prospectuses and filings made with the Securities and Exchange Commission; research materials prepared by other firms; governmental reports; timing services; and corporate rating services.

Error Policy

CGM maintains an Error Policy aimed at ensuring the prompt and proper detection, reporting and correction of errors involving the accounts of CGM clients. The requirements of the Error Policy apply to the extent that CGM has control of resolving errors for client accounts. The correction method used by CGM for an error must put the client in the same position the client would have been in had the error not occurred (i.e., the client must be made whole for any error-related losses and costs suffered). Any gain resulting from an error generally will be left in the client's account or, if realized outside the client's account, offered by CGM directly to the client. Only if the client refuses to accept such a gain may CGM retain the profit. CGM will not offer or give error-related gains to any person or firm other than the applicable client. In the case of a trade error discovered before settlement, CGM may seek to have the broker cancel the erroneous trade, even if the erroneous trade has resulted in a gain. Alternatively, an erroneous trade may be moved to an CGM error account prior to settlement, and CGM may realize a profit or loss on the security.

Certain Tax Considerations

As Overlay Manager, CGM may agree with a client to implement a client-developed investment strategy that the client believes is sensitive to the client's particular tax situation. As neither CGM nor any CGM affiliate provides tax advice, however, neither CGM nor any CGM affiliate will be responsible for the development, evaluation or efficacy of any such strategy. Any such strategy needs to be developed by the client in consultation with a qualified tax adviser. In addition, in managing client accounts, CGM, in conjunction with the applicable Sub-Manager, may, but is not under any obligation to, on its own initiative seek to implement investment strategies in a tax-sensitive manner. In such event, CGM, in conjunction with the applicable Sub-Manager, will seek to mitigate the tax consequences associated with management of the client's CGM account, but CGM, in conjunction with the applicable sub-adviser, will not consider the client's particular tax situation or the client's non-account assets and transactions unless CGM, in conjunction with the applicable sub-adviser, specifically agrees to do so for the client. Certain tax-sensitive strategies that CGM, in conjunction with the applicable Sub-Manager, may pursue on its own initiative involve risks. For instance, CGM, in conjunction with the applicable Sub-Manager, may add to a position in a security held at a loss with the intention of selling all or a portion of the original position to realize a loss upon the expiration of the applicable "wash sale" period. The client will incur additional losses in the event of a further fall in the price of the security before the original position can be sold. CGM, in conjunction with the applicable Sub-Manager, also may engage in "merger swaps" by selling the security of an acquiring company held in client portfolios to realize a tax loss and simultaneously purchasing the security of the company to be acquired to maintain general exposure to the acquiring company. The client may incur losses in the event that a planned merger is

terminated and the price of the company to be acquired falls in value. Certain tax-sensitive strategies that CGM, in conjunction with the applicable Sub-Manager, may pursue (e.g., selling high-cost basis lots of a security when selling a portion of an account's holdings in such security) may mitigate current taxes but potentially lead to greater taxes in future years. Also, certain tax-sensitive strategies may subject the client or the client's tax advisor to certain federal and/or state tax shelter disclosure, registration and/or other requirements.

GENERAL ACCOUNT INFORMATION

Client Information

In the Fiduciary Services Programs, Consulting Group Select Portfolios and the Consulting and Evaluation Services Program, a SB Financial Advisor may ask the client to fill out a questionnaire and a confidential client information form that may request information from the client concerning the client's financial situation and investment objectives. The SB Financial Advisor then submits the questionnaire and the confidential client information form to the Consulting Group for final review. SB then sends this information to the investment manager selected to manage the account. Clients may update or change information at any time by contacting the client's SB Financial Advisor. Any changed information will be transmitted promptly to the investment manager selected to manage the client's account.

For the PM, GPM and ETF programs the portfolio manager collects similar information regarding the client and keeps current on material changes when notified by the client.

As part of the Investment Management Services Program, the client will not necessarily be asked by SB to fill out an investment questionnaire or confidential client information form, nor will a SB Financial Advisor periodically inquire into whether any changes in the client's financial circumstances have occurred.

Education

Generally, a college degree or securities industry experience is required for IAS personnel providing investment advisory or consulting services, other than clerical or administrative services, to clients. A complete listing of each principal executive officer of CGM, SB and IAS, including CG, PMG and Smith Barney Advisor, as well as personnel having managerial or supervisory responsibility with regard to the investment management and consulting services described in this brochure can be found in the "BIOGRAPHICAL INFORMATION" section below.

Account Review and Supervision

Generally accounts are monitored on an on-going basis by the portfolio manager or SB Financial Advisors and are subject to branch supervision. The portfolio manager's review of discretionary accounts includes a review of each purchase or sale, as well as monthly position reports.

Assignment of Portfolio Managers

In the PM, GPM and ETF Programs, client accounts are assigned by SB to a portfolio managers based upon various factors, including, but not limited to, the portfolio manager's investment experience in relation to a client's individual investment needs and the program selected by the client. In the Fiduciary Services, CES, IMS, IIS, IS and CG Select Programs, the portfolio manager is assigned by the unaffiliated investment management firm. In the FS Legg Mason Program, an account's portfolio managers are assigned by the Manager and applicable Subadvisers.

Research in Advisory Programs

As noted in the specific programs described in this brochure, Citi Global Wealth Management Investment Advisor Research ("IAR") uses two methods to evaluate investment managers, mutual funds and other types of products, such as ETFs ("Program Investment Products"), in its various advisory programs: Opinion Research and Access Research. In general, Opinion Research entails a more rigorous and thorough evaluation of a Program Investment Product than Access Research and fewer investment options will qualify for approval under Opinion Research than Access Research. Program Investment Products that are approved under the Opinion Research process may be described as being on IAR's Focus List. Program Investment Products that are approved under the Access Research process may be described as being on IAR's Approved List. Certain Program Investment Products approved under either process may also be recommended based in part on tactical opportunities existing at a given time (a "Tactical Opportunities List"). It is important to note that not all Program Investment Products available in CGM's advisory

programs were approved or evaluated under Opinion or Access Research. The specific advisory programs that limit Program Investment Products only to those that have been approved through Opinion or Access Research are described in this brochure and any separate brochure for those programs.

Opinion Research

In the more in-depth Opinion Research process, each Program Investment Product's manager or sponsor provides IAR with relevant documentation on the Program Investment Product(s) being evaluated, which may include sample portfolios, asset allocation histories, its Form ADV (the form required for investment management registration with the Securities and Exchange Commission), past performance information and marketing literature. For verification purposes, the review process may include a comparison of the Program Investment Product's reported performance with the performance of a cross-section of actual accounts as computed by IAR. IAR personnel also may interview the investment manager and its key personnel and examine its operations. Program Investment Products that are approved under the Opinion Research process may be described as being on IAR's Focus List.

The appropriateness of the continued retention of a Program Investment Product as meeting the criteria for Opinion Research is reviewed on a periodic basis. In conducting these reviews, IAR considers a broad range of factors including investment performance, staffing, operational issues and financial condition. Among other things, IAR personnel interview each investment manager periodically to discuss these matters. For Program Investment Products with whom IAR is familiar through repeated reviews, IAR has increasingly emphasized quantitative analysis and interviews in other venues instead of in person meetings. In addition, IAR may review the collective performance of a composite of the Consulting Group accounts being managed by a particular investment manager and compare this information to overall performance data quoted by the manager and investigate any material deviations.

Access Research

The less comprehensive "Access Research" process evaluates various qualitative and quantitative factors of Program Investment Products under consideration for Access Research. Among the factors which may be considered in determining whether a particular investment option will be "Approved" under Access Research include personnel depth, turnover and experience; review of investment process; review of business and organization characteristics; and investment past performance. In order to assist in their evaluation, the IAR team may utilize an algorithm – a rules-based scoring mechanism – that reviews various qualitative and quantitative factors and ranks each investment option contained in a third party database. Not all Program Investment Products reviewed under Access Research will utilize the algorithm. When a Program Investment Product is processed by the algorithm, analysts analyze the information contained in the algorithm to gauge the completeness and consistency of the data which drive the rankings, then follow-up with additional information requests. The ultimate result of this research effort is a conclusion by IAR that the Program Investment Product either meets the Access Research standard (product receives a status of "Approved") or does not. Program Investment Products that are approved under the Access Research process may be described as being on IAR's Approved List. Program Investment Products that meet the Access Research standard also are reviewed periodically by IAR to evaluate whether they continue to meet IAR's standard to be listed as "Approved". However, data and information provided by Program Investment Products in connection with the review process are not independently verified by IAR or Consulting Group.

In light of the differing research methodology and standards under Opinion and Access Research, IAR may determine that a Program Investment Product no longer meets the criteria for Opinion research, or will no longer be reviewed under the criteria for Opinion research, but in either case does meet the criteria for Access Research, in which case SB will generally notify the Clients regarding such status changes on a quarterly basis. In addition, IAR may determine that a Program Investment Product no longer meets the criteria under either research process and therefore in the future, the investment option will no longer be recommended in CGM's advisory programs (a "Manager Downgrade" or "Fund Downgrade") and the client will generally be notified of such Downgrade. The manner of notification will vary depending on the CGM advisory program.

Watch Policy

IAR has a "Watch" policy for covered Program Investment Products. Watch status indicates that, in the course of its review of a given Program Investment Product, IAR has identified specific areas of the investment manager's business that (a) merit further evaluation by IAR; and (b) may, but is not certain to, result in a Manager Downgrade in the future. Putting a Program Investment Product on Watch does not signify an actual change in IAR opinion nor

is it a guarantee that a downgrade will necessarily occur. The duration of a Watch status will vary according to the length of time necessary for IAR to conduct its evaluation, and for the Program Investment Product's firm to address any areas of concern identified by IAR. For additional information, clients should ask their Financial Advisor for a copy of Investment Advisor Research's Watch Policy.

Mutual Funds in Advisory Programs

Mutual fund companies typically offer different ways to allow clients to purchase mutual fund shares. Some mutual funds will only offer one share class for a particular fund while some funds offer many types of shares classes. In addition to the more broadly known retail share classes (A, B, C shares) fund companies have developed additional types of specialized share classes designed for specific advisory programs. If available, clients will be converted into the share class that is required by the fund company for that type of account. Depending on the circumstances, clients may be converted into a share class that has a lower operating expense or a higher operating expense.

Client authorizes SB (without notice to Client) to convert any open end mutual fund, including any Legg Mason Capital Management mutual fund (each a "Fund") in an Account to a share class of the same Fund which is a load-waived or no-load share class such as an Institutional ("I") share, Financial Intermediary ("FI") share, or advisory program share.

Upon termination of the Account for any reason or the transfer of Fund shares out of the Account into a SB retail account, Client hereby authorizes SB to convert any Institutional share(s) ("I"), Financial Intermediary ("FI") share(s) and/or advisory share class of any Fund, including any Legg Mason Capital Management mutual fund, to the corresponding Fund's Primary or appropriate non-advisory share(s). Client acknowledges that the Primary or appropriate non-advisory share class generally has higher operating expenses than the corresponding FI, I and advisory share classes, which may negatively impact investment performance.

Proxy Voting

Proxy Voting

When investing in Smith Barney's Fiduciary Services – Unaffiliated Manager, Fiduciary Services – Legg Mason Manager, CG Select, Select UMA, IIS, CES, IMS and IS programs, clients generally have the option to elect to have the Investment Manager (or in the CG Select and Select UMA programs the Overlay Manager) vote proxies on the client's behalf. If a client elects this option, the Investment Manager will vote proxies related to all securities held in the managed account, including the discretionary assets invested by the Investment Manager and any non-managed assets held in the managed account.

When investing in Smith Barney's CG Select, Select UMA, PM, GPM and ETF programs, clients have the option to delegate all proxy voting rights to SB and authorize SB to further delegate all proxy voting rights to Institutional Shareholder Services ("ISS") or another proxy voting service (the "Proxy Voting Service") satisfactory to SB.

If a client elects this option in the CG Select or Select UMA programs, the Overlay Manager will follow all recommendations of the Proxy Voting Service. In these programs, if the Proxy Voting Service does not have a recommendation for any proxy vote, the client directs the Overlay Manager to vote all proxies in proportion to the votes of the other holders of the security for which the proxy vote is requested.

If a client elects this option in the PM, GPM or ETF programs, SB or its designee will vote proxies related to all securities held in the managed account, including the discretionary assets invested by the Financial Advisor and any non-managed assets held in the account. Clients may elect to have SB or its designee vote proxies on behalf of their PM, GPM or ETF account by marking the appropriate box on the PM/GPM/ETF Client Agreement, or by contacting their Portfolio Manager in writing at any time. In providing this service, SB or its designee will vote proxies in accordance with applicable fiduciary obligations and written proxy voting policies and procedures. These proxy voting policies and procedures (i) contain general guidelines that SB or its designee will follow to ensure that they vote proxies in a manner consistent with the best interests of our clients; and (ii) are designed to ensure that material conflicts of interest are avoided and/or resolved in a manner that is consistent with Smith Barney's fiduciary role. A copy of these policies and procedures is available from your SB Financial Advisor, upon request.

Clients may obtain information regarding how SB or its designee voted a specific proxy on behalf of the client's account by submitting a written request to their Financial Advisor.

In all programs, non-managed assets are held in client accounts as an accommodation and are not charged an investment management fee nor included for performance reporting purposes. The Investment Manager or SB does not have investment discretion with respect to the purchase, sale or holding of non-managed assets. However, all proxies for the non-managed assets are voted in accordance with the same proxy voting policies and procedures followed by the Investment Manager or SB with respect to securities over which the Investment Manager or SB exercises investment discretion.

If a client no longer wishes to have the Investment Manager, SB, its designee or the Overlay Manager vote proxies for the discretionary assets in the managed account, the client may cancel the proxy waiver election immediately by contacting the Financial Advisor; in which case, the Investment Manager, SB, its designee or the Overlay Manager will no longer be in a position to vote proxies for any securities in the client's managed account, including securities over which the Investment Manager or Portfolio Manager has investment discretion. In this case, all such proxies will be delivered directly to the client for consideration. If a client no longer wishes to have the Investment Manager, SB, its designee or the Overlay Manager vote proxies for the non-managed assets in the managed account, but would like the Investment Manager, SB, its designee or the Overlay Manager to continue voting the proxies for the discretionary assets in the managed account, the client should contact the Financial Advisor and arrange to transfer the non-managed assets to another, non-managed account.

Proxy Voting for Accounts Invested in Strategic Portfolios

In connection with managing the Strategic Portfolios, CGM votes proxies for securities held in Strategic Portfolios accounts for which it has been authorized or is required by law to vote proxies. In voting such proxies, CGM is guided by general fiduciary principles and seeks to act prudently and solely in the best interest of the beneficial owners of the accounts it manages. CGM attempts to consider all factors that could affect the value of the investment and will vote proxies in the manner that it believes will be consistent with efforts to maximize shareholder values. CGM may utilize an external service provider or a Legg Mason Inc. affiliate to provide it with information and/or recommendations with regard to proxy votes for securities held in Strategic Portfolios accounts. However, such recommendations do not relieve CGM of its responsibility for the proxy vote for such accounts for which it has proxy voting authority.

In the case of a proxy issue for which there is a stated position in the policies, CGM generally votes in accordance with such stated position. In the case of a proxy issue for which there is a list of factors set forth in the policies that CGM considers in voting on such issue, CGM votes on a case-by-case basis in accordance with the general principles set forth above. Issues for which there is a stated position set forth in the policies or for which there is a list of factors set forth in the policies that CGM considers in voting on such issues fall into a variety of categories, including election of directors, ratification of auditors, proxy and tender offer defenses, capital structure issues, executive and director compensation, mergers and corporate restructuring, and social and environmental issues. The stated position on an issue set forth in the policies can always be superseded, subject to the duty to act solely in the best interest of the beneficial owners of accounts, by the investment management professionals responsible for the account whose shares are being voted. There may be occasions when different portfolio managers vote differently on the same issue. In addition, in the case of Taft-Hartley clients, CGM will comply with a client direction to vote proxies in accordance with Institutional Shareholder Services' (ISS) PVS Voting guidelines, which ISS represents to be fully consistent with AFL-CIO guidelines.

In furtherance of CGM's goal to vote proxies in the best interest of clients, CGM follows procedures designed to identify and address material conflicts that may arise between CGM's interests and those of its clients before voting proxies on behalf of such clients. To seek to identify conflicts of interest, CGM periodically notifies CGM employees in writing that they are under an obligation (i) to be aware of the potential for conflicts of interest on the part of CGM with respect to voting proxies on behalf of client accounts both as a result of their personal relationships and due to special circumstances that may arise during the conduct of CGM's business, and (ii) to bring conflicts of interest of which they become aware to the attention of CGM's compliance personnel. CGM also maintains and considers a list of significant CGM relationships that could present a conflict of interest for CGM in voting proxies. CGM is also sensitive to the fact that a significant, publicized relationship between an issuer and a non-CGM Citigroup, Inc. affiliate might appear to the public to influence the manner in which CGM decides to vote

a proxy with respect to such issuer. Absent special circumstances or a significant, publicized non-CGM Citigroup, Inc. affiliate relationship that CGM for prudential reasons treats as a potential conflict of interest because such relationship might appear to the public to influence the manner in which CGM decides to vote a proxy, CGM generally takes the position that non-CGM relationships between a Citigroup, Inc. affiliate and an issuer do not present a conflict of interest for CGM in voting proxies with respect to such issuer. Such position is based on the fact that CGM is operated as an independent business unit from other Citigroup, Inc. business units as well as on the existence of information barriers between CGM and certain other Citigroup, Inc. business units.

CGM currently uses a Legg Mason Inc. affiliated Proxy Voting Committee to review and address conflicts of interest brought to its attention by CGM compliance personnel. A proxy issue that will be voted in accordance with a stated CGM position on such issue or in accordance with the recommendation of an independent third party is not brought to the attention of the Proxy Voting Committee for a conflict of interest review because CGM's position is that to the extent a conflict of interest issue exists, it is resolved by voting in accordance with a pre-determined policy or in accordance with the recommendation of an independent third party. With respect to a conflict of interest brought to its attention, the Proxy Voting Committee first determines whether such conflict of interest is material. A conflict of interest is considered material to the extent that it is determined that such conflict is likely to influence, or appear to influence, CGM's decision-making in voting proxies. If it is determined by the Proxy Voting Committee that a conflict of interest is not material, CGM may vote proxies notwithstanding the existence of the conflict.

If it is determined by the Proxy Voting Committee that a conflict of interest is material, the Proxy Voting Committee is responsible for determining an appropriate method to resolve such conflict of interest before the proxy affected by the conflict of interest is voted. Such determination is based on the particular facts and circumstances, including the importance of the proxy issue and the nature of the conflict of interest.

The client may request from their Financial Advisor:

- i. a copy of the Proxy Voting Policies and Procedures; and/or
- ii. information concerning how CGM voted proxies with respect to the securities held in your account (based on instructions received from the applicable Sub-Manager for accounts other than Strategic Portfolios accounts).

Cost of SB Consulting Group and Portfolio Management Group Asset-Based Fee Programs and Services Relative to Non-Asset-Based Fee Alternatives; Relative Costs of SB Consulting Group and Portfolio Management Group Asset-Based Fee Program Alternatives

Clients who participate in the programs or retain the services described in this brochure and who pay asset-based fees for a variety of services may pay more or less for such services than if they purchase such services separately. Factors that bear upon the cost of Consulting Group and Portfolio Management Group asset-based fee programs in relation to the cost of the same services purchased separately include, among other things, the type and size of the account, the historical and expected size or number of trades for the account, and the number and range of supplementary advisory and client related services provided to the account.

A portion of the fees and/or brokerage charges imposed by SB for the programs offered herein are paid to SB Financial Advisors or employees of SB affiliates in connection with the introduction of accounts as well as the provision of services. Such payments may be made for the duration of client accounts. The amount of the fees received by SB, SB Financial Advisors and employees of SB affiliates may be greater if: the client participates in an asset-based fee program instead of paying separately for investment advice, brokerage and other services; the client's portfolio is managed by a Portfolio Manager affiliated with SB rather than an unaffiliated manager; and/or the client selects a particular Consulting Group or Portfolio Management Group asset-based fee program over other Consulting Group or Portfolio Management Group asset-based fee programs. In addition, SB and its affiliates retain a larger portion of the fee when an affiliated Portfolio Manager is used, since no part of the fee is shared with an outside manager. Because of these factors, SB, SB Financial Advisors and employees of SB affiliates may have a financial incentive to recommend certain alternative methods of paying program fees and charges (e.g., asset-based fee) over another alternative (e.g., fee plus commission), or one program (e.g., a SB program using a SB-affiliated Portfolio Manager) over another program (e.g., a Consulting Group program using an unaffiliated manager).

Unaffiliated managers may offer to the public other investment products such as mutual funds with similar investment styles and holdings as those investments offered through the Consulting Group programs. Such products

may be offered at differing fees and charges that may be higher or lower than the fees imposed by SB under a Consulting Group program. Clients should discuss all investment options with their Financial Advisor.

Additional Information Regarding Fees and Charges

In addition to the asset-based fees and fee-plus-commission fees specified above, clients of SB may pay additional fees or charges in connection with their accounts or certain securities transactions. These may include: commissions and other charges for executing transactions (except in the case of asset-based-fee account trades executed through SB); interest on any debit balances; dealer mark-ups, mark-downs and spreads; auction fees; certain odd-lot differentials; exchange fees; transfer taxes; electronic fund and wire transfer fees; charges imposed by custodians other than SB; fees imposed in connection with Smith Barney Financial Management Accounts; certain fees in connection with custodial, trustee and other services rendered by a SB affiliate; IRA accounts can be charged a termination fee of \$50, this fee may be amended from time to time; SEC fees on securities trades; any other charges mandated by law; and certain fees in connection with the establishment, administration or termination of retirement or profit sharing plans or trust accounts. In addition, if SB is a member of the underwriting syndicate from which a security is purchased, SB and the Financial Advisor may indirectly benefit from such purchase.

If an open or closed end mutual fund or an ETF is utilized by SB as an account investment, any such fund may pay its own separate investment advisory fees and other expenses to the fund manager or other service provider. In addition, an open-end mutual fund may charge distribution or servicing fees. In both cases these fees or expenses will be in addition to the fee paid by Client on the account.

Notwithstanding the foregoing paragraph, if a mutual fund managed by an affiliate of the Manager in the FS Legg Mason Program is utilized as an investment in a client's FS Legg Mason account, such fund will pay its own separate investment advisory fees unless such fund is made available only to managed account clients and is not charged fund-level investment advisory fees or other expenses. The fee paid by the client on the FS Legg Mason account will be offset (other than a money market fund as described in *Potential Conflicts of Interest* herein) by an estimate of the client's pro-rata share of any Legg Mason affiliated mutual fund investment advisory fees. The fees paid by the client with respect to the account will not be offset by the client's pro rata share of any administration fees paid to the Manager and its affiliates for performing administrative services on behalf of the mutual fund as reflected in the current Prospectus or Statement of Additional Information for such mutual fund or by any other expenses of the mutual fund.

To the extent that fees or commissions charged are negotiable, they may differ from client to client based upon a number of factors, including, but not limited to, the type and size of the account, the historical and/or expected size or number of trades for the account, and the number and range of supplemental advisory and client-related services to be provided to the account. Moreover, fee minimums and account minimums may vary as a result of the application of prior schedules depending upon customer account inception date. Minimum account sizes also may be waived under certain circumstances. Performance-based fees may also be charged to eligible clients, are negotiable, and will be in compliance with any applicable provisions of Rule 205-3 under the Investment Advisers Act of 1940. From time to time, the fees for certain of the advisory services described herein may be reduced for employees of SB or its affiliates. For more information regarding the above, contact your SB Financial Advisor.

Additional assets received into an account during any billing period may be charged a pro-rata fee based on the number of days remaining in the billing period. No adjustments will be made to the Fee for appreciation or depreciation in the market value of securities held in the account, or with respect to partial withdrawals by Client, during any billing period for which such Fee is charged. In the event the client agreement is terminated by either party prior to the end of a billing period, a pro-rata refund of the Fee will be made.

Generally, interest will be charged to a client's account should the account have a debit balance as a result of the client's activity. Any debit balance will not be deducted from the account balance for purpose of the calculation of the advisory or consulting fee due to SB. When SB has custody of the client's assets, it credits interest and dividends to the account. All Client billing for fee-based programs will be based on the statement value including the accrued interest portion of fixed income securities. Margin may be used to enhance performance (with the resulting increased risk of loss), as determined by on-going consultations with clients.

In the asset-based fee programs described in this brochure, the investment management firm retained by the client is obligated to seek the best net results (price, research, and execution) with respect to securities trades undertaken for each client. In seeking best execution with respect to equity securities and other instruments traded in the "agency"

markets (typically those executed through an exchange, to which orders are directed by a broker-dealer acting as agent for a client), such investment management firms may direct orders to SB. In connection with these trades, the asset-based fee client will not pay SB any commissions. Alternatively, the investment manager in its discretion may determine to direct agency trades to other broker-dealers that are unaffiliated with SB; in such instances the client will bear the cost of any commissions charged by the executing broker-dealer. These other broker-dealers may charge a commission for these trades, and may “step-out” the trades to SB for clearance and settlement. Investment managers in the asset-based fee programs described above are likely to execute a substantial percentage of such transactions for clients with SB.

The investment manager (including the Manager in the FS Legg Mason Program) may act as investment manager for other investment management programs (“Other Programs”). The investment manager may have arrangements with one or more broker-dealers that are not affiliated with the investment manager or SB (the “Step-Out Broker”), pursuant to which the investment manager may direct a block of trades (which block may include trades for the Program and for Other Programs) to the Step-Out Broker. Pursuant to these arrangements, the Step-Out Broker may execute these blocks of trades at no commission, and “step-out” the program trades to SB for clearance and settlement. Similarly, the investment manager may direct a block of trades (which block may include trades for Other Programs and for the Program) to SB for execution, in which event SB may execute these blocks of trades at no commission and “step-out” the Other Program trades to other broker-dealers for clearance and settlement. Although the Step-Out Broker and SB may execute these trades at no commission, they may obtain a benefit from executing the block trades, as a result of the increased trading volume attributable to these blocks.

The investment manager may place these block trades at or about the same time the investment manager (or any subadvisor responsible for the underlying investment decision) places block or other trades for the same securities on behalf of mutual funds, institutional separate accounts or other investment management clients of such investment manager or subadvisor, and that may result in a market impact for the securities traded. The investment manager will engage in these “step-out” transactions, only where the investment manager has determined that doing so is consistent with its obligation to seek best execution for clients. Where the client has elected to pay SB on a fee plus commission basis at an agreed upon commission rate, the commission rate charged by SB to the client will generally be at the agreed upon rate, whether the trade is executed by SB, or is executed by another broker-dealer and “stepped-out” to SB for clearance and settlement as described above. This is so, whether the other broker-dealer executes the trade at no commission, or charges the client a commission on the trade (in addition to the commission charged to the client by SB).

The investment manager will not consider the agreed upon commission rate for fee plus commission accounts, in determining whether execution is “best execution”.

Certain securities, such as over-the-counter (including NASDAQ-traded) stocks and fixed income securities, primarily are traded in “dealer” markets. In such markets, securities are directly purchased from or sold to a financial institution acting as a dealer, or “principal.” Principal trades are executed on a “net” basis, with the net price paid or received by the client reflecting any trading profit retained or loss incurred by the dealer executing the transaction as well as any mark-up or mark-down over or under the reported execution price.

SB does not generally act as principal in executing trades for clients for which an investment manager affiliated with SB provides the client with portfolio management services (i.e., determines which securities are to be bought and sold for the client) or in the Fiduciary Services, CG Select, PM or GPM Programs (although SB may do so in rare cases if certain regulatory conditions are met, including among other things obtaining client consent prior to completion of the trade). If SB receives trade orders for securities traded in the dealer markets with respect to such clients, it normally executes those orders as agent through a dealer unaffiliated with SB. SB receives no commissions or other compensation in connection with such trades, although the client bears the cost (including any mark-up or mark-down) imposed by the unaffiliated dealer.

SB may execute trades as principal with respect to orders received from investment management firms unaffiliated with SB that provide portfolio management services to clients in the CES, IMS and IS programs. This will result in SB realizing customary dealer profits or losses on the trades. Any profit or loss on principal trades would be separate from or additional to, and would not reduce or otherwise offset, compensation received by SB in its capacity as sponsor of the CES, IMS and IS asset-based fee programs. Investment management firms in these programs also

may direct principal trades to dealers unaffiliated with SB; when this is done, the dealer to which the trade is directed (not SB) will realize a dealer profit or loss on each trade and may also charge a mark-up or mark-down.

In the case of clients in the FS Legg Mason, CES, IMS or IS programs that pay on a fee plus commission basis, the client pays the investment management firm directly for its fee and pays SB for its services on the basis of transactions sent by the investment management firm to SB for execution. The compensation earned by SB from such transactions is in lieu of a fee for its services. The client agrees to furnish the investment management firm with a letter informing the investment management firm of client's compensation arrangement with SB and instructing the investment management firm to use SB for executing transactions for client's account so long as such use is not inconsistent with the investment management firm's obligation to seek best execution for its clients. The commissions charged by SB may exceed those that other broker-dealers may charge. Generally, the commission rates payable by a client are negotiated between the client and his or her SB Financial Advisor, except as specifically provided herein. A client may negotiate a commission rate that exceeds that rate paid by other clients and the rate that the client's investment manager may be able to obtain from other broker-dealers. There is no minimum or maximum total amount of compensation SB and its Financial Advisors may receive from the investment management firm's decision to execute transactions for the account at SB. The investment management firm's decision to use SB to execute transactions for the client's account may result in executions that may not be as favorable as otherwise would be the case, and the client may forego other benefits, such as the ability to participate in block trades. Less favorable execution or the inability to participate in block trades may result in poorer investment performance.

Outside of the asset-based fee programs described in this brochure, the price paid or proceeds received by SB retail clients in connection with principal trades executed by SB typically includes a mark-up or mark-down that is included in the net price of the trade, which is used to compensate the Financial Advisor. Any principal trade executed for CES, IMS or IS clients will not include any such mark-up or mark-down; instead, Financial Advisors are compensated only out of the client's asset-based fee.

Execution of Transactions When CGM is the Overlay Manager

This section describes CGM's handling of trade execution responsibilities with respect to client accounts. CGM and a Sub-Manager may agree that such Sub-Manager is responsible for executing all or certain transactions on behalf of client accounts. With respect to such transactions, CGM has no execution responsibilities, and will not be in a position to monitor for best price and execution.

Each client (or the Program Sponsor of a wrap fee program in which a client participates) generally directs CGM to execute, or is generally informed that CGM will execute, securities transactions through the client's Program Sponsor or a broker-dealer designated by the sponsor (designated broker), subject to CGM's obligation to seek best execution. To the extent not inconsistent with such directions, disclosures and applicable agreements, CGM, in its sole discretion and in accordance with applicable law (including CGM's obligation to seek best execution), may effect transactions for accounts through or with the Program Sponsor, the program's designated broker-dealer or any other broker or dealer.

It is CGM's policy to seek best qualitative execution when executing transactions on behalf of clients. Best execution is not necessarily measured by the circumstances surrounding a single transaction but may be sought over time across multiple transactions. CGM may select broker-dealers, including alternative execution services (e.g., electronic communication networks and crossing networks), for trade execution which, in its best judgment, provide prompt and reliable execution at favorable security prices with reasonable commission rates and/or other transaction costs. The best net price, giving effect to brokerage commissions, commission equivalents, spreads and other costs, is an important factor in this decision, although a number of other factors may also enter into the decision. These factors may include: price level; available commission rates, mark-ups, mark-downs and/or spread levels; the nature of the security being traded; the size and complexity of the transaction; the desired timing of the trade; the activity existing and expected in the market for the particular securities; confidentiality; execution, clearance and settlement capabilities; counterparty financial condition and reliability; the availability of capital commitment; and other relevant and appropriate services of the broker-dealer.

CGM may implement purchase and sale transactions in ADRs for client accounts through broker-dealers that facilitate investment in ADRs through transactions in a company's ordinary shares in non-U.S. markets and the conversion of such shares into ADRs. Such transactions typically involve foreign exchange, ADR conversion and

related costs and charges which are reflected in a net price paid or received by the client. Such costs and charges are in addition to the fees and commissions payable for account management and security trade execution.

If the client is a participant in a wrap fee program, under which the client is charged an asset-based fee for portfolio management and trade execution services, the client typically will not pay any transaction-specific commissions on agency trades executed by the Program Sponsor or designated broker. A wrap fee program client may pay transaction-specific commissions, commission equivalents or spreads on trades CGM directs to a broker-dealer other than the sponsor or designated broker. These fees or charges may be separately charged to the client's account or reflected in the security net price paid or received. Due to the separate fees or charges that may be incurred when CGM effects trades for a wrap fee program client with broker-dealers other than the sponsor or designated broker, it is expected that CGM will effect a large percentage of transactions for a client's account that are driven by activity specific to that account (e.g. additions and withdrawals) with the Program Sponsor or designated broker.

In the case of trades that are driven by a change in an underlying Sub-Manager's investment model and that need to be effected for many clients, CGM generally will seek to aggregate these trades for execution through a single broker-dealer in a block trade and then to step out those trades to the applicable Program Sponsor for clearance and settlement in the ordinary course. CGM has established relationships with one or more broker-dealers that have generally agreed to execute such block trades at no additional cost to CGM's clients. The broker-dealers that are willing to execute block trades on behalf of CGM's clients typically are sponsors of wrap fee programs in which CGM participates. Accordingly, a portion of the client accounts participating in the trade typically will be accounts that have paid a wrap fee covering execution to the executing broker-dealer ("non-trade away accounts"). A portion of participating accounts will be accounts that pay a wrap fee or transaction-specific compensation to a broker-dealer other than the executing broker-dealer ("trade away accounts"). For trade away accounts, CGM directs the executing broker-dealer to allocate and deliver the portion of the trade attributable to such accounts to the client's sponsor or designated broker for clearance and settlement. While aggregating trades as indicated could be viewed as providing a benefit to trade away accounts at the expense of non-trade away accounts, it should be noted as an equitable matter that: (i) trade away clients pay transaction-related compensation to their designated broker-dealer instead of the executing broker-dealer, and (ii) it is not expected that the wrap fees paid by non-trade away clients will be affected by such block trading arrangements.

CGM believes that handling model change trades in this manner generally enhances CGM's ability to obtain best execution for client accounts. Using a sponsor-by-sponsor trade rotation process can in some cases create market impact, which results when earlier trades move the market causing subsequent trades to receive different prices, as well as information leakage. A rotation process also can create "signaling" concerns (i.e. broker-dealers anticipate additional trades in same security and use this information to detriment of the manager's clients), and timing differences that result in clients obtaining different execution prices and performance dispersion among accounts. CGM also may be able to negotiate volume price discounts on block trades, and take advantage of the additional sources of liquidity that certain broker-dealers can provide. In addition, all clients, including non-trade away clients, benefit from the liquidity and other benefits provided by block trading.

From time to time, CGM may determine not to, or be unable to, aggregate model change trades through a single broker-dealer in a block trade. In such cases, CGM will execute trades with each sponsor or designated broker by following trade rotation policies and procedures designed to ensure that trade orders and instructions are communicated in a manner and sequence that is fair and equitable to CGM's clients.

In engaging an underlying Sub-Manager, CGM will seek assurances that the Sub-Manager will communicate model changes to CGM in accordance with procedures that are designed to be fair and equitable to CGM's clients in relation to other clients of the Sub-Manager. Such procedures could include a rotation process or the simultaneous transmission of model change information to multiple venues, including CGM and a trading desk maintained by the Sub-Manager to effect transactions on behalf of other client accounts, or a combination of both. In the case of simultaneous transmission, it is anticipated that orders that CGM places in most cases will end up competing in the marketplace with orders placed by the Sub-Manager's trading desk on behalf of its other clients. This competition has the potential to negatively impact all clients of the Sub-Manager, though competition concerns are mitigated where the securities involved have significant trading volume and high liquidity. In the case of less liquid securities, an underlying Sub-Manager may seek to mitigate competition concerns through the use of limit orders and specific

price targets, among other means. Ultimately, it is the Sub-Manager's responsibility to ensure that the clients are treated fairly and equitably with respect to the transmission of model change information.

While CGM has established processes to implement model change trades promptly, a Sub-Manager's trading desk may, notwithstanding the simultaneous transmission of model change information, be able to place certain trade orders with broker-dealers for its other client accounts prior to the time that CGM is able to do so for wrap fee program clients due to unique servicing requirements associated with such accounts. CGM's clients could be negatively impacted by such timing differences.

Compensation from Funds

Certain Funds and the Funds' affiliates available through the CG Select UMA, PM, GPM, ETF, Smith Barney Advisor, Fiduciary Services, FS Legg Mason, CES and IS programs may offer additional compensation to SB in the form of 12b-1 fees, management and administrative fees, transfer agency fees, revenue sharing compensation, record keeping fees, shareholder servicing fees or any other Fund related fees (collectively referred to as "Fund Fees"). However, under the Fiduciary Services, FS Legg Mason, CES and IS programs, SB will not seek or retain any Fund Fees from participating Funds and will credit the client's account in the amount of any such fees received by SB. Accordingly, in these programs the aggregate fees received by SB will not vary depending on the eligible assets in which the client invests. Any fees credited to a client's account will be reported to such client as additional income if the client account is taxable. However, in the CG Select UMA PM, GPM, ETF and IIS programs, SB will retain Fund Fees currently in the amount of 0.10% (the "0.10% Fund Fee") from fund companies or their affiliates on all taxable clients' mutual fund assets. Any Fund Fees received by SB in excess of the 0.10% Fund Fee will be credited the client's account and will be reported to such client as additional income. SB will not receive the 0.10% Fund Fee and will credit any Fund Fees for the retirement accounts in these Programs.

Notwithstanding the foregoing, in the event non-retirement account cash balances in any of the programs discussed in this Form ADV Schedule H are invested in money market funds sponsored or managed by affiliates of Legg Mason, Inc. ("Legg Mason"), SB may receive and retain Fund Fees from those money market funds or those money market funds' affiliates (see "Potential Conflicts of Interest" below).

In addition, non-retirement clients may also purchase closed-end funds and SB may receive additional compensation from the purchase of these closed-end funds. As a result, there may be a potential for a conflict of interest to the extent that the additional payments could influence the selection of these closed-end funds.

Termination

Generally, client agreements with SB or its affiliates for investment management services may be terminated at the written request of the client or SB. The procedures and conditions pursuant to which SB or any client may terminate a contract are described in such contract. Additionally, the client may terminate a contract without penalty within five business days of the contract's execution by SB. In the event a client terminates an investment management agreement after the fifth day, SB will charge a pro rata fee through the termination date. In the event fees are paid in advance, a pro rata refund of said fees would be made when an advisory agreement is terminated prior to the end of the fee period. Termination of an agreement will not affect or preclude the consummation of any transaction initiated prior to termination.

ABOUT CITIGROUP GLOBAL MARKETS INC.

CGM is a full-line financial services firm. CGM's principal activities include retail and institutional private client services, including but not limited to providing advice with respect to financial markets, securities and commodities, and executing securities and commodities transactions as broker or dealer; securities underwriting and investment banking; investment management (including fiduciary and administrative services); and trading and holding securities and commodities for its own account.

CGM is registered as a securities broker-dealer and as a futures commission merchant. Affiliates of CGM are registered as commodity pool operators and/or commodity trading advisers. CGM is a member of all principal securities and commodities exchanges in the United States and the Financial Industry Regulatory Authority, formerly known as National Association of Securities Dealers, Inc. In addition, it holds memberships or associate memberships on several principal foreign securities and commodities exchanges.

CGM is an indirect wholly-owned subsidiary of Citigroup Inc. On September 1, 1998, Salomon Brothers Inc (“Salomon”) merged into Smith Barney Inc., with Smith Barney Inc. surviving the merger and changing its name to Salomon Smith Barney Inc. In November 2002, Smith Barney was formed as a separate division within Salomon Smith Barney Inc. Salomon Smith Barney Inc. was then renamed Citigroup Global Markets Inc. on April 7th, 2003. Any contract entered into under the name of Smith Barney Inc. on or after September 1, 1998 or Salomon Smith Barney Inc. on or after April 7, 2003, shall be deemed to have been entered into by CGM.

Through its divisions, CGM offers a wide variety of investment advisory services and programs. As of December 31, 2007, CGM had over \$286.9 billion of assets in its advisory programs,ⁱⁱⁱ including over \$250 billion of assets under management. CGM's investment advisory services are available to individuals; banks or thrift institutions; retirement plans such as pension and profit sharing plans; investment companies; trusts; estates; charitable organizations; corporations or other business entities as well as governmental entities. The investment advisor divisions and affiliates of CGM include: SB; CG; the Portfolio Management Group; Citigroup Alternative Investments LLC; Citigroup Investment Advisory Services, Inc.; CitiStreet Advisors LLC; EMSO Partners Ltd.; EMSO Partners HK Limited; Salomon Smith Barney Venture Services LLC; Smith Barney Global Capital Management, Inc.; SSB Private Management LLC; Tribeca Global Management LLC; Acciones y Valores Banamex, S.A. de C.V.; Casa de Bolsa; Afore Banamex, S.A. de C.V.; Banco Citibank S.A.; Banco Nacional de Mexico S.A.; Bank Handlowy W. Warszawie S.A. (Poland); Citibank (Channel Islands) Ltd.; Citibank (Switzerland) A.G.; Citibank AS (Czech Republic); Citibank AS (Turkey); Citibank Belgium S.A./N.V. (Belgium); Citibank Distribuidora de Títulos Valores e Mobiliarios S.A.; Citibank España, S.A. (Spain); Citibank Hong Kong Ltd.; Citibank International PLC; Citibank Privatkunden AG & Co. KGaA (Germany); Citibank ZRT (Hungary); Citicorp Administradora de Inversiones; Citicorp China Investment Management Ltd.; Citicorp International Ltd.; Citicorp Securities Investment Consulting Inc.; Citigroup Global Markets Singapore Ltd.; Citigroup Properties Investors Asia Ltd.; Citigroup Venture Capital International Asia Pacific Ltd.; Cititrust (Bahamas) Ltd.; Cititrust (Cayman) Ltd.- Confidas; Cititrust (Jersey) Ltd.; Cititrust and Banking Corporation; Cititrust Columbia S.A.; Compañía Colombiana Administradora de Fondos de Pensiones; CSO Partners Ltd. (Corporate Special Opportunities); CVC Asia Pacific; FNC – Comercio e Participações, Ltd.; Peregrine Investments LLC; Servicios Financieros Citibank (Chile) S.A.; Tribeca Global Management (Europe) Ltd.; Tribeca Global Management (Asia) Ltd.; Zao Citibank (Russia); CitiSolutions Financial (UK) Ltd.; Citigroup Global Investments Japan, Ltd.; Old Lane (UK) LLP; Quilter & Co. Ltd.; Nikko Asset Management Americas, Inc.; Nikko Asset Management Co., Ltd.; Nikko Asset Management Singapore, Ltd.; Nikko Asset Management Europe, Ltd.; Old Lane, LP; Citigroup Trust - Delaware, N.A.; Citicorp Trust, N.A.; Citicorp Trust South Dakota; Citigroup Institutional Trust Company.

Compensation Paid to CGM

A portion of the advisory fees charged by CGM are paid to SB Financial Advisors or employees of CGM affiliates in connection with the introduction of accounts as well as the provision of supplemental and other client-related services. Such payments may be made for the duration of the client accounts.

CGM may permit qualifying clients to take out loans that are secured by assets in the client's account. CGM may earn fees and other income for services provided in connection with the loans, in addition to the asset-based fee which is earned on collateral (asset-based fee account assets) for the loans. Before taking out a loan, the client should consider (i) the alternative of liquidating part of the account, and (ii) the possibility that the return on the collateral may be lower than the interest paid on the loan, especially if the collateral is a low-producing asset class (such as a money market fund). The client should be aware that CGM, acting as client's creditor, will have the authority to liquidate all or part of the account at any time to repay any portion of the loan, even if the timing of the liquidation may be disadvantageous to the client.

Code of Ethics

As part of an overall internal compliance program, CGM is subject to codes of ethics and related policies and procedures (collectively, the “Code of Ethics”) imposing standards of business conduct, including requirements to put client interests first and not to take inappropriate advantage of employment-related information. The Code of Ethics also imposes restrictions on employee personal securities transactions and accounts. Such restrictions include, for all employees, prohibitions on trading in securities while in possession of related material, nonpublic information and, for certain CGM employees, including SB Financial Advisors, minimum holding periods in certain

ⁱⁱⁱ Assets in Advisory Programs include assets that CGM receives an asset-based fee, and CGM may give on going advice to clients regarding recommending managers, however, CGM does not retain discretion as to the selection of those managers.

situations, and reporting of personal securities accounts, transactions and/or holdings to the Compliance Department or supervisory business personnel. Purposes of the Codes of Ethics include minimizing potential conflicts of interests between employees and investment advisory clients and assuring compliance with applicable laws and regulations. Existing and prospective CGM clients may obtain copies of the applicable Code of Ethics by mailing a written request for such document to:

Citigroup Global Markets Inc.
480 Washington blvd - 19th floor
Jersey City, NJ 07310
Attention: Andrew Baldauf

Potential Conflicts of Interest

CGM and its affiliates provide a variety of services for various clients, including issuers of securities that CGM may recommend for purchase or sale by clients. CGM performs a wide range of investment banking services for various clients, and it is likely that CGM client holdings will include the securities of issuers for whom CGM performs investment banking services. CGM client portfolios may include securities in which CGM makes a market or in which CGM, its officers or employees have positions. CGM and its affiliates receive compensation and fees in connection with the provision of the foregoing services. As part of an overall internal compliance program, CGM has adopted policies and procedures imposing certain conditions and restrictions on transactions for CGM's own account or the accounts of its employees. Such policies and procedures are designed to prevent, among other things, any improper or abusive conduct when potential conflicts of interest may exist with respect to a customer or client.

To meet applicable regulatory requirements, there are periods when CGM will not initiate or recommend certain types of transactions in the securities of issuers for which CGM is performing investment banking services. In particular, when CGM is engaged in an underwriting or other distribution of securities of a company, CGM may be prohibited from purchasing or recommending the purchase of certain securities of that issuer for its clients. Notwithstanding the circumstances described above, a client, on its own initiative, may direct CGM to place orders for specific securities in the client's account. From time to time, restrictions are imposed by CGM to address the potential for self-dealing by CGM and conflicts of interest which may arise in connection with CGM's business as a broker-dealer and investment banker. CGM has adopted various procedures to guard against insider trading which include an "Information Barrier" procedure, pursuant to which information known within one area of CGM (e.g., investment banking) may not be distributed to other areas (e.g., asset management), and use of a restricted list and various other monitoring lists. These investment banking or other activities may from time to time compel SB, Overlay Manager or their affiliates to forgo trading in the securities of companies with which these relationships exist. This may adversely impact the investment performance of a client's account.

Financial Advisors may receive financial benefit from investment management firms in the form of compensation for trade executions for the accounts of the investment management firms or accounts that are managed by such investment management firms, or through referrals of brokerage or investment advisory accounts to the Financial Advisor by such investment management firm. Moreover, Smith Barney may have trading, investment banking or other business relationships with such investment management firm. These investment management firms may include the investment adviser(s) or alternative investments recommended to clients by the Financial Advisor in one of the Consulting Group programs described herein. Consequently, a Financial Advisor may be presented with a conflict of interest when recommending an investment manager to a client. In addition, for a client who chooses the commission-based option in the CES, IMS or IS programs, CGM and its Financial Advisors could have a financial incentive to recommend an investment management firm that trades actively thereby executing more transactions for the account. CGM and its Financial Advisors will act in the client's best interests in recommending an investment manager to a client.

CGM and its affiliates may recommend securities in which they directly or indirectly have a financial interest and may buy and sell securities that are recommended to PM and GPM program clients for purchase and sale. They also may give advice and take action in the performance of their duties to Consulting Group or PM and GPM clients which differs from advice given, or the timing and nature of action taken, with respect to other clients' accounts. Moreover, CGM or any of its affiliates may advise or take action with respect to itself or themselves differently than with respect to Consulting Group or PM and GPM clients. In addition, CGM, its affiliates, employees, including Financial Advisors, may invest with any investment management firm. In situations in which the PM and GPM Financial Advisors purchase or sell certain securities for their own accounts on the same day that transactions in

such securities are effected for client accounts, the price paid or realized by advisory personnel generally may not be more advantageous than the price at which the client transactions are effected. If orders by advisory personnel are part of a batched client order and the entire block is not executed on the same day, no part of the order executed is permitted to be allocated to any advisory personnel. However, PM and GPM Financial Advisors are not subject to additional personal trading restrictions, such as extended blackout periods, that are applicable to CGM employees that are associated with an affiliated manager.

Investment management decisions made under the PMG programs may be based in large measure on the fundamental research opinions of SB's Research Division. SB does and seeks to do business with companies covered by its Research Division and that, as a result, SB may have a conflict of interest that could affect the objectivity of its research reports. If such objectivity is affected, it might impact the underlying fundamental opinion upon which investment management decisions are made. In addition, SB usually provides bids and offers and may act as principal market maker in connection with transactions in the same securities that may appear in a client's portfolio. SB is a regular issuer of traded financial instruments linked to securities that may be purchased. SB may hold a trading position (long or short) in the shares of the securities in a client's portfolio or in the shares of companies subject to its research.

Investment management firms participating in a Consulting Group program may make payments to CGM for marketing, promotional and related expenses; for expenses incurred in connection with training or educational seminars with Financial Advisors and other CGM personnel; or for expenses incurred in connection with client or prospective client meetings relating to a Consulting Group program. In addition, investment management firms and their affiliates may provide Financial Advisors and clients (existing and prospective) with related items and benefits. These expenses, items and benefits may include, without limitation: training meeting costs for Financial Advisor or other personnel, including payments for travel, lodging and meals for attendees; payments of costs for client/prospect meetings at which the investment management firms' or their affiliates' services or investment products are discussed, including meals for attendees, room rental costs and meeting-related presentation materials; occasional meals and leisure/entertainment outings; *de minimus* gifts; and nominal value promotional items.

The amount of such payments and the value of such items and benefits may or may not be substantial, but will be determined at the discretion of CGM. Although these payments, items and benefits will not be pre-conditioned on sales targets and levels, they nevertheless could give CGM and Financial Advisors incentives to favor one investment management firm over another investment management firm that does not provide the same items, payments and benefits. However, such payments, items and benefits are subject to CGM's policy that addresses and, in some cases, limits such payments, items and benefits with the overall aim to avoid compromising advice or recommendations given to clients by special incentives or compensation arrangements.

In selecting firms for participation in the CES and IS programs, CGM does not consider the extent to which the firm directs or is expected to direct principal trades to CGM for execution. (As discussed previously, CGM does not recommend investment management firms in the IMS program.) Such direction is left to the discretion of the investment management firm retained by the client, which, absent client direction to the contrary, is obligated at all times to seek best execution. Nonetheless, investment management firms retained by clients may perceive a potential conflict of interest between their obligations to seek best execution and their interest in receiving client referrals pursuant to the CES and IS programs.

Agency cross transactions (i.e., transactions in which CGM or an affiliate acts as broker for the parties on both sides of the transaction) may be effected for customer accounts to the extent permitted by law. CGM may receive compensation from parties on both sides of such transactions (the amount of which may vary) and as such, CGM will have a potentially conflicting division of loyalties and responsibilities. Client consent to agency cross transactions may be revoked at any time by written notice to CGM.

For non-retirement accounts, Client may elect that cash balances in the Account be automatically invested or "swept" into either a Bank Deposit Program ("BDP") account or an eligible money market sweep fund (each, a "Sweep Fund"). If Client elects BDP, Client authorizes without any further direction that all cash balances in the Account in excess of \$1.00 be automatically deposited or swept every business day into an account at one or more Federal Deposit Insurance Corporation ("FDIC") insured depository institutions affiliated with Citigroup ("Affiliated Program Banks") as more particularly set forth in the BDP Disclosure Statement provided to Client. CGM may amend the list of Affiliated Program Banks and Client may eliminate Affiliated Program Banks two and three from the list at any time.

Client is responsible to monitor the total amount of deposits Client has at each Affiliated Program Bank in order to determine the extent of available FDIC insurance coverage available to Client, and Citigroup, and CGM and its affiliates, are not responsible for any insured or uninsured portion of Client's deposits at any of the Affiliated Program Banks.

Alternatively, if Client elects an eligible money market sweep fund, Client authorizes without any further direction that all cash balances in the Account in excess of \$1.00 be automatically invested every business day into the money market fund that has been made available and that Client has chosen.

In the event Client does not select a Sweep Fund, Client authorizes the FA assigned to the Account or CGM to select the Sweep Fund for the Account. If the BDP is selected as the Sweep Fund, the Affiliated Program Banks will have the opportunity to earn income on the BDP assets through lending activity, and that income is usually significantly greater than the fees earned by CGM on money market funds. Thus, CGM has a conflict of interest in selecting or recommending BDP as the Sweep Fund rather than an eligible money market fund.

In SB managed money programs, non-retirement account cash balances may be invested in money market funds sponsored and managed by affiliates of Legg Mason. As set forth in the prospectuses of these funds, SB receives Fund Fees from these funds and may also receive payments from the funds' sponsors and managers and certain of their affiliates. The fees SB receives from these money market funds may be referred to as service fees under the funds' Rule 12b-1 distribution plans. The annual rate of these fees can be as high as 0.25% of managed account cash balances invested in the funds. These fees, along with other fund-level expenses (e.g., fund management fees), are separate from, and in addition to, the fees clients pay to participate in SB managed money programs.

Payments to SB from the funds' sponsors and managers and their affiliates are sometimes referred to as "revenue sharing payments" and are made from their respective past profits, which may be attributable to fees collected from the fund (e.g., fund management fees) or other available sources. Unlike the services fees referred to above, however, these payments are not from fund assets and are not reflected in the funds' expense ratios. Such payments may be made for fund-related distribution and shareholder servicing activities, fund-related marketing, promotional or related expenses, or similar items and services. The annual rate of these payments can be as high as 0.30% of managed account cash balances invested in the funds.

At times, managers or CGM may believe that it is in a client's interest to maintain assets in cash, particularly for defensive purposes in volatile markets. The above-described BDP arrangements and 12b-1 and revenue sharing payments create a potential for a conflict of interest to the extent that the additional payments could influence the selection of investment managers or an investment style that favors cash balances.

Please note that the Financial Advisor does not receive any of the BDP related income or 12b-1 or revenue sharing payments described herein.

Global Transaction Services and various affiliated business units of Citigroup's Markets & Banking division, receive compensation for providing administrative, custody, transfer agent and back office services to investment management firms, mutual funds and hedge funds. These investment management firms may include portfolio managers and investment management firms to mutual funds, hedge funds or separately managed accounts that are recommended in the advisory programs described herein.

Additional Risk Disclosure

Different classes of securities have different rights as creditor in the event the issuer files for bankruptcy or reorganization. By way of example, bondholders' rights generally are more favorable than shareholders' rights in the event of a bankruptcy or reorganization.

By signing an agreement for one of the programs described in this brochure, the client acknowledges this potential conflict of interest and consents to the use of Legg Mason affiliated money-market funds as investment vehicles for the account to the extent permitted by law and to the resulting payment of additional compensation to SB.

As explained in "Additional Information Regarding Fees and Charges" above, and in "Execution of Transactions" in Part III of the Legg Mason Brochure, the investment manager may direct some block trades to SB for execution, which blocks may include trades for Other Programs and for the SB program. Although SB executes these block

trades at no commission, SB may obtain a benefit from executing these block trades, as a result of the increased trading volume attributable to these blocks.

Trade Allocations

If a Financial Advisor acting as a portfolio manager in the PM or GPM program believes that the purchase or sale of a security is in the best interests of more than one client, he/she may, but is not obligated to, aggregate the securities to be sold or purchased to obtain favorable execution to the extent permitted by applicable law and regulations. In such event, the transactions will be allocated by the portfolio manager according to a policy designed to ensure that such allocation is equitable and consistent with the portfolio manager's fiduciary duty to its clients. These methods include, among others, pro rata allocation, random allocation or rotation allocation. The allocation method used in a particular transaction may vary, depending upon various factors, including the type of investment, the number of shares purchased or sold, the size of the account, and the amount of available cash or the size of an existing position in an account. Pursuant to these methods, aggregated orders are averaged as to price. There may be circumstances in which a PM or GPM portfolio manager or a CGM-affiliated manager does not aggregate trades and thereby does not obtain a lower mark-up or mark-down that may have been available. In addition, orders entered for a client's account, may involve transactions for the PM or GPM portfolio manager's personal account, or any other related account.

Aggregation of Trade Orders; Trade Allocation; and Restrictions When CGM is the Overlay Manager

As noted in the "Execution" section of this brochure above, CGM generally will seek to aggregate trades that are driven by a change in an underlying Sub-Manager's investment model and that need to be effected on behalf of a range of client accounts. In such event, the transaction will be allocated by CGM according to one or more methods designed to ensure that such allocation is equitable and fair. These methods include pro rata allocation and random allocation. Pursuant to these methods, aggregated orders effected each day are averaged as to price. Under the random allocation method, a partially filled order is allocated to accounts included in the aggregated order on a random basis by CGM's trading system. This method generally will be used by CGM only after consulting with and seeking direction or agreement from the portfolio management team at the applicable underlying Sub-Manager. The random allocation method is intended for situations in which the partial execution quantity is an amount that does not allow for a pro rata allocation of securities to all accounts or does not allow for a meaningful allocation of securities to all accounts. Where an aggregated order covers clients in multiple Financial Institution programs, the securities generally are allocated to the Financial Institution programs participating in the order on a pro rata basis. The securities are then allocated to clients within each Financial Institution program following one of the accepted trade allocation methods. CGM does not consider account performance or fee structure in making investment opportunity allocation decisions. As a general rule, orders for employees will not be aggregated with orders for client accounts. However, managed accounts in which employees have an interest may be aggregated with orders for other accounts so long as the employee accounts are treated in the same manner as other accounts.

When CGM has discretionary authorization to effect investment transactions in a managed account, the extent of and limitations on that authority are determined by agreement with the Financial Institution, acting on its client's behalf, or by agreement directly with the client. For example, conditions could be imposed which prohibit the purchase of specific industry groups or stocks for personal reasons or prohibit the purchase of stocks which would increase individual security or industry/economic sector holdings above a certain percentage. It is CGM's policy to honor the limitations on authority that are agreed to, which necessarily vary from client to client based upon client objectives and other factors, but CGM is not otherwise generally limited as to such authority. CGM will rely on Financial Institutions to provide CGM with any special instructions or limitations on authority that a Financial Institution client has given the Financial Institution in connection with the management of the client's funds.

A restriction imposed on a CGM account (other than Legg Mason and ClearBridge SAI portfolios) is applied at the time of purchase to securities purchased by CGM for the account and does not apply to securities transferred into the account, securities already held in the account at the time the restriction is imposed, securities that first come within a restriction following CGM's purchase of such securities, and securities acquired as a result of corporate actions (e.g., stock splits, stock dividends). A client may direct CGM to sell particular securities or types of securities held in the client's account by contacting his or her Financial Institution representative.

Error Corrections

If a PM, GPM or ETF Financial Advisor or an investment manager erroneously purchases a particular security for a client account and the error is discovered prior to settlement of the transaction, then, at no cost to the client, the erroneously purchased security may be placed into a separate CGM error account and CGM may realize a profit (or loss) on the erroneously purchased security. Profits arising from post-settlement error corrections are not retained by CGM and generally are credited to the client's account. Losses arising from post-settlement error corrections generally are closed out at no expense to the client.

Solicitations

CGM may enter into agreements with third parties who solicit clients for CGM's investment management products. Under such agreements, third parties may refer or solicit clients and receive compensation for such services. As a result of these arrangements, fees paid by clients may differ from the prevailing retail rate, but in every arrangement with a third party solicitor, the structure of the third party solicitation agreement, including the compensation payable to the solicitor, will be disclosed fully to the client as required by applicable law.

CGM may use client lists when soliciting new clients provided that the existing clients included on such lists have not expressly requested confidentiality, whether in a contract or by written or oral request.

CGM's Advisory Services

CGM recommends and employs various investment strategies in providing investment management services, depending upon the services to be rendered and the objectives and guidelines of the client. The investment strategies may involve long-term or short-term purchases, trading and margin transactions. Not all of these strategies are appropriate for all clients, however, and only those strategies believed to be suitable will be utilized in any given client account or advisory program. It is anticipated that there may be a substantial degree of uniformity in client portfolios as a result of the common investment objectives of the clients participating in the various programs.

Each of CGM's and its affiliates' advisory programs may be based on different methodology and as a result, asset allocation or investment recommendations may differ from program to program. In addition, CGM and its affiliates may give advice and take action in the performance of their duties to clients which differs from advice given, or the timing and nature of action taken, with respect to other clients' accounts.

CGM's investment management services generally rely on fundamental analysis with supplemental technical analysis, which may include charting or cyclical review. Computer technology may be employed to more readily display these factors to portfolio managers. Information is derived from many sources. Personnel involved in providing investment advisory services have available CGM's research facilities and have access to economists and specialists in all major industry groups. Information may be obtained from various other sources including: financial publications (including newspapers and magazines); industrial manuals and publications; inspections of corporate activities; direct contact with and press releases and other reports released by companies; annual reports, prospectuses and filings made with the Securities and Exchange Commission; research materials prepared by others; governmental reports; timing services; and corporate rating services. CGM and its affiliates at times may not be free to divulge such information to investment advisory clients or act upon it on their behalf.

CGM affiliates act as investment adviser to an open-end investment company comprising several mutual funds, and act as an administrator for a wide range of open-end and closed-end investment companies registered under the Investment Company Act of 1940. CGM and its affiliates may also serve as investment advisers to a number of investment funds domiciled and sold outside the United States.

Additionally, CGM is the depositor and sponsor for numerous unit investment trusts, the portfolios of which are invested in equity and/or debt securities. Citigroup Institutional Trust Company and Citicorp Trust Bank fsb provide for compensation a variety of trust and trust related services to clients of CGM. In addition, CGM provides certain advisory services for compensation to various collective funds available to clients of its affiliated trust companies.

CGM Brokerage and Research Services

As a registered broker-dealer, CGM regularly advises clients with regard to and executes transactions in a wide variety of securities and other investments, including those specified above. It and its affiliates also act in a partnership capacity in a number of limited partnerships in which its clients may invest. As a futures commission merchant, CGM also provides advice on commodities and commodity related products.

CGM provides a wide range of research services to its clients, including reports, analyses, charts and graphs relating to various facets of the investment spectrum in equity and fixed income products. Research services generally are provided to clients on the assumption that the services generate commission or other business for CGM. However, certain research services may be provided on a hard-dollar, fixed-fee basis and/or, in the case of firms that may resell such services, on a hard-dollar, royalty-fee basis. The amount or rate of any hard-dollar fee generally is negotiable.

Certain Civil and Regulatory Actions

The following notices are being furnished pursuant to Rule 206(4)-4 under the Investment Advisers Act of 1940, as amended.

SEC Administrative Proceeding Against Citigroup Global Markets Inc and Smith Barney Fund Management LLC

On May 31, 2005, the Securities and Exchange Commission (The “SEC”) issued an order in connection with the settlement of an administrative proceeding against CGM and Smith Barney Fund Management LLC (“SBFM”) relating to the appointment of an affiliated transfer agent for the Smith Barney family of mutual funds (the “Smith Barney Funds”). SBFM was an affiliate of CGM during the relevant period.

The SEC order finds that SBFM and CGM willfully violated Section 206(1) of the investment Advisers Act of 1940 (“Advisers Act”). Specifically, the order finds that SBFM and CGM knowingly or recklessly failed to disclose to the Boards of the Smith Barney Funds in 1999 when proposing a new transfer agent arrangement with an affiliated transfer agent that: First Data Investors Service Group (“First Data”), the Smith Barney Funds’ then-existing transfer agent, had offered to continue as transfer agent and do the same work for substantially less money than before; and that Citigroup Asset management (“CAM”), the Citigroup business unit that includes the Smith Barney Funds’ investment manager and other investment advisory companies, had entered into a side letter with First Data under which CAM agreed to recommend the appointment of First Data as sub-transfer agent to the affiliated transfer agent in exchange, among other things, for a guarantee by First Data of specified amounts of asset management and investment banking fees to CAM and CGM. The order also finds that SBFM and CGM willfully violated Section 206(2) of the Advisers Act by virtue of the omissions discussed above and other misrepresentations and omissions in the material provided to the Smith Barney Fund’s Boards, including the failure to make clear that the affiliated transfer agent would earn a high profit for performing limited functions while First Data continued to perform almost all of the transfer agent functions, and the suggestion that the proposed arrangement was in the Smith Barney Funds’ best interest and that no viable alternatives existed. SBFM and CGM do not admit or deny any wrongdoing or liability. The settlement does not establish wrongdoing or liability for purposes of any proceeding.

The SEC censured SBFM and CGM and ordered them to cease and desist from violations of Section 206(1) and 206(2) of the Advisers Act. The order requires Citigroup to pay \$208.1 million, including \$109 million in disgorgement of profits, \$19.1 million in interest and a civil money penalty of \$80 million. Approximately \$24.4 million has already been paid to the Smith Barney Funds, primarily through fee waivers. The remaining \$183.7 million, including the penalty, had been paid to the U.S Treasury and will be distributed pursuant to a plan to be prepared by Citigroup and submitted within 90 days of the entry of the order for approval by the SEC. The order also requires that transfer agency fees received from the Smith Barney funds since December 1, 2004 less certain expenses be placed in escrow and provides that a portion of such fees may be subsequently distributed in accordance with the terms of the order.

The order requires SBFM to recommend a new transfer agent contract to the Smith Barney Fund Boards within 180 days of the entry of the order, if a Citigroup affiliate submits a proposal to serve as transfer agent or sub-transfer agent, an independent monitor must be engaged at the expenses of SBFM to recommend a new transfer agent contract to the Smith Barney Fund Boards within 180 days of the entry of the order; if a Citigroup affiliate submits a proposal to serve as transfer agent or sub-transfer agent, an independent monitor must be engaged at the expense of SBFM and CGM to oversee a competitive bidding process. Under the order, Citigroup almost must comply with an amended version of a vendor policy that Citigroup instituted in August 2004. The policy, as amended, among other things, requires that when requested by a Smith Barney Fund Board, CAM will retain at its own expenses an independent consulting expert to advise and assist the Board on the selection of certain service providers affiliated with Citigroup.

Revenue Sharing and Sales of Mutual Fund Class B and C Shares

In March 2005, the Securities and Exchange Commission (the “SEC”) entered an administrative and cease-and-desist order against CGM. The SEC order found that there were two disclosure failures by CGM in the offer and sale of mutual fund shares to its customers. The first failure related to CGM’s revenue sharing program, whereby CGM received from advisers and distributors associated with about 75 mutual fund complexes revenue sharing payments, in exchange for which CGM granted mutual funds access to, or increased visibility in, CGM’s Smith Barney retail distribution network. The order found that CGM did not adequately disclose its revenue sharing program to its customers but instead relied on the participating funds’ prospectuses and statements of additional information to satisfy its disclosure obligations with regard to its revenue sharing program. As a result, the order found that CGM willfully violated Section 17(a)(2) of the Securities Act of 1933 (“Securities Act”) and Rule 10b-10 under the Securities Exchange Act of 1934 (“Exchange Act”). The second disclosure failure concerned CGM’s sales of Class B mutual fund shares in amounts aggregating \$50,000 or more. The order found that CGM failed to disclose adequately at the point of sale, in connection with recommendations to customers to buy Class B shares, that such shares were subject to higher annual fees and that those fees could have a negative impact on customer investment returns, depending on amount invested and intended holding period. As a result, the order found that CGM willfully violated Section 17(a)(2) of the Securities Act. Based on these findings, the SEC order censured CGM, required CGM to cease and desist from committing or causing violations and future violations of Securities Act Section 17(a) and Exchange Act Rule 10b-10, and required CGM to pay a \$20 million civil money penalty.

In March 2005, NASD Inc. (“NASD”) censured and fined CGM with respect to CGM’s offer and sale of Class B and Class C mutual fund shares during 2002 and the first six months of 2003. The NASD found that CGM either had not adequately disclosed at the point of sale, or had not adequately considered in connection with its recommendations to customers to purchase Class B and Class C shares, the differences in share classes and that an equal investment in Class A shares generally would have been more advantageous for the customers. The NASD also found that CGM’s supervisory and compliance policies and procedures regarding Class B and Class C shares had not been reasonably designed to ensure that SB Financial Advisors consistently provided adequate disclosure of, or consideration to, the benefits of the various mutual fund share classes as they applied to individual customers. As a result, the NASD found that CGM violated NASD Conduct Rules 2110, 2310 and 3010. Based on these findings, the NASD censured CGM and required CGM to pay a \$6.25 million fine.

Research and Initial Public Offerings

In 2003, Salomon Smith Barney Inc., now known as Citigroup Global Markets Inc. (“SSB”), settled civil and regulatory actions brought by the U.S. Securities and Exchange Commission, the New York Stock Exchange, Inc. (“NYSE”), the NASD, the Attorney General of the State of New York (“NYAG”), and state securities regulators, which alleged violations of certain federal and state securities laws and regulations and certain NASD and NYSE rules by SSB arising out of certain of its business practices concerning (1) sell-side research during the period 1999 through 2001, and (2) initial public offerings (“IPOs”) during the period 1996 through 2000. The actions alleged, among other things, that SSB published certain fraudulent research reports, permitted inappropriate influence by investment bankers over research analysts and failed to adequately supervise the employees who engaged in those practices. It was also alleged that SSB engaged in improper “spinning” of shares to executives of investment banking clients and failed to maintain policies and procedures reasonably designed to prevent the potential misuse of material non-public information in certain circumstances.

Solely for the purpose of settling each proceeding, prior to hearing, without adjudication of any issues of law or fact, and without admitting or denying the facts or conclusions alleged in the respective regulators’ documents, SSB consented to findings that SSB violated certain federal and state securities laws and regulations and certain NASD and NYSE rules, as described above, and agreed to the sanctions described below. In settling the various civil and regulatory actions, SSB consented to the imposition of censures by NASD and NYSE, the issuance of cease and desist orders in state proceedings prohibiting it from violating certain state laws and regulations, the entry of a final judgment enjoining SSB from violating certain provisions of the federal securities laws and certain self-regulatory organization rules, and ordering it to make a total payment of \$400 million. The final judgment also ordered SSB to comply with its undertakings to implement certain structural reforms relating to the operation of its research and investment banking departments. SSB also agreed to participate in a voluntary initiative pursuant to which it will no longer make allocations of securities in hot IPOs to accounts of executive officers or directors of a U.S. public company or a public company for which a U.S. market is the principal equity trading market.

Market-Timing

On July 13, 2007, NYSE Regulation, Inc. (the “NYSE”) issued a Hearing Board Decision in connection with the settlement of an enforcement proceeding brought in conjunction with the New Jersey Bureau of Securities (“NJBS”) against Citigroup Global Markets Inc. (“CGM” or “the Firm”). The decision concerned the Firm’s failure to supervise adequately certain branch offices and CGM Financial Advisors (“FAs”) who engaged in deceptive mutual fund market timing on behalf of certain customers from January 2000 through September 2003. The decision notes that market timing occurred in the Firm’s proprietary funds and in non-proprietary funds. Between 1998 and May 2000, the Firm made efforts to end market timing in its proprietary funds and its fee-based mutual fund trading programs. Market timing by FAs in proprietary funds ended by late 2001 or early 2002. Market timing in non-proprietary funds continued until September 2003. The decision noted three CGM branches for the most serious conduct, and that six branches accounted for over 40% of all market-timing transactions. The NYSE also found that while the Firm had policies in place to address market timing, such policies were inadequate and inadequately enforced.

Without admitting or denying guilt, the Firm consented to a finding that it violated: NYSE Rule 342 by failing to reasonably supervise certain business activities and establish and maintain appropriate procedures for supervision and control with respect to trading of mutual funds and fund-like sub-accounts of variable annuities; NYSE Rules 401(a) and 476(a) by failing to prevent certain brokers from engaging in violative market timing of mutual funds, including use of deceptive practices related to market timing of funds; and Section 17(a) of Securities Exchange Act of 1934, Rules 17a-3 and 17a-4 thereunder, and NYSE Rule 440 by failing to make or preserve accurate books and records reflecting or relating to order communication and entry time for fund shares, rejection or cancellation of trades related to market timing, and orders or confirmations for transactions executed by Firm employees in variable annuity products sub-accounts held away from the Firm. The Firm consented to a penalty consisting of censure and a payment of \$50 million to be distributed as follows: (a) \$35 million to be placed in a distribution fund as disgorgement; (b) a penalty of \$10 million, half to be paid directly to NYSE Regulation and half to be paid directly to the distribution fund; and (c) a penalty of \$5 million to be paid to the State of New Jersey. The Firm also must appoint an Independent Distribution Consultant not unacceptable to the NYSE who will develop a distribution plan for the disgorgement amount, which, to the extent feasible, shall go first to Firm customers who during the period January 2000 through September 2003 invested long-term in funds that were the subject of the market timing, with any funds not distributed to be returned to NYSE Regulation.

Auction Rate Securities Settlements

On November 13, 2008, in connection with the settlement of a civil action arising out of an investigation by the U.S. Securities and Exchange Commission (the “Commission”) into CGM’s underwriting, marketing, and sale of auction rate securities (“ARS”), CGM, without admitting or denying the allegations of the Commission’s complaint, except as to those relating to personal and subject matter jurisdiction, which were admitted, consented to the entry in the civil action of a Judgment As To Defendant Citigroup Global Markets Inc. (the “Judgment”). Thereafter, on December 11, 2008, the Commission filed its civil action in the federal district court for the Southern District of New York (the “Court”). The Judgment, which was entered on December 23, 2008: (i) permanently enjoined CGM from directly or indirectly violating Section 15(c) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”); (ii) provides that, upon later motion of the Commission, the Court shall determine whether it is appropriate to order that CGM pay a civil penalty pursuant to Section 21(d)(3) of the Exchange Act, and if so, the amount of the civil penalty; and (iii) ordered that CGM’s Consent be incorporated into the Judgment and that CGM comply with all of the undertakings and agreements set forth in the Consent, which include an offer to buy back at par certain ARS from certain customers. The Commission’s Complaint alleged that: (1) CGM misled tens of thousands of its customers regarding the fundamental nature of and risks associated with ARS that CGM underwrote, marketed, and sold; (2) through its financial advisers, sales personnel, and marketing materials, CGM misrepresented to customers that ARS were safe, highly liquid investments comparable to money market instruments; (3) as a result, numerous CGM customers invested in ARS funds they needed to have available on a short-term basis; (4) in mid-February 2008, CGM decided to stop supporting the auctions; and (5) as a result of the failed auctions, tens of thousands of CGM customers held approximately \$45 billion of illiquid ARS, instead of the liquid short-term investments CGM had represented ARS to be. CGM reached substantially similar settlements with the New York Attorney General (the “NYAG”) and the Texas State Securities Board (the “TSSB”), although those settlements were administrative in nature and neither involved the filing of a civil action in state court. The settlements with the NYAG and the TSSB differed somewhat from the settlement with the SEC in that the state

settlements: (1) made findings that CGM failed to preserve certain recordings of telephone calls involving the ARS trading desk; and (2) require CGM to refund certain underwriting fees to certain municipal issuers. In addition, as part of the settlement with New York, CGM paid a civil penalty of \$50 million. CGM also has agreed in principle to pay to states other than New York with which it enters into formal settlements a total of \$50 million. CGM paid \$3.59 million of this \$50 million to Texas as part of the settlement with that state. CGM expects it will reach settlements with the remaining states.

BIOGRAPHICAL INFORMATION

The following brief biographical information describes personnel at Citigroup Global Markets and its Smith Barney division, who are either principal executive officers or who have supervisory responsibility with regard to the investment management and consulting programs described in this brochure.

Principal Executive Officers

Michael L. Corbat, born 1960, is Chief Executive Officer of Citi's Global Wealth Management. He is also a member of Citi's Senior Leadership Committee. Prior to his current position, he was a Managing Director and Head of the Global Corporate Bank and Global Commercial Bank at Citi. Previously, Mr. Corbat was Head of Global Emerging Markets in Markets and Banking, responsible for the origination, trading, and sales of emerging markets fixed income debt. Mr. Corbat joined Salomon Brothers, a Citi legacy firm, in 1983 in the Fixed Income Sales Department. He currently serves on the Board of Trustees of the Salisbury School and is a member of the Board of Directors of the BritishAmerican Business, Inc. and the Swedish American Chamber of Commerce. Mr. Corbat earned a B.A. in Economics from Harvard University in 1983.

John Havens, born 1956, is Chief Executive Officer of Citigroup Global Markets Inc. and Citi Institutional Clients Group (ICG), the institutional division of Citigroup Inc. He was previously Chief Executive Officer of Citi Alternative Investments ("CAI"), where he remains Chairman. Prior to joining CAI, Mr. Havens was a founder and a Partner of Old Lane, LP, that was acquired by Citigroup in 2007. Before forming Old Lane in 2005, Mr. Havens was head of Institutional Equity at Morgan Stanley and a member of the firm's Management Committee. He began his career in 1979 as a trader of convertible securities at Kidder Peabody. Mr. Havens holds a B.A. degree from Harvard University.

Cliff Verron, born 1957, is Chief Financial Officer of CGM and Deputy Chief Financial Officer of CIB. He has been with CGM or its predecessor companies since 1982. Mr. Verron holds a B.S. in Accounting from Southern Connecticut State University and an M.B.A. from Adelphi University.

Charles D. Johnston, born 1953, is President and Chief Executive Officer of the Smith Barney Global Private Client Group division of CGM. He is also a Senior Executive Vice President of CGM. Prior to holding these positions, Mr. Johnston was the Director of Smith Barney Private Client Group's Branch System, and a Divisional Director, Midwest Division of Smith Barney. He has been with CGM or its predecessor companies since 1982. Mr. Johnston holds a BA degree from Purdue University.

Michael J. Sharp, born 1955, is Deputy General Counsel for Citigroup and General Counsel of Citi Global Wealth Management, Consumer Banking and Cards. He is also a Managing Director of CGM, which he joined in 1997. Previously, Mr. Sharp was a litigation associate at Cravath, Swaine & Moore. He was a U.S. Treasury Bond Trader before pursuing a legal career. Mr. Sharp holds a J.D. from the University of Georgia, an M.B.A. from Cornell University and a B.A. from Fordham University.

Investment Advisory Services

James J. Tracy, born 1957, is an Executive Vice President and Director of Business Development for Citi Global Wealth Management and the Director of Smith Barney's Investment Advisory Services. In his position, Mr. Tracy is responsible for National Sales, Professional Development, Recruiting and Marketing for GWM. Mr. Tracy also oversees the Consulting Group, Portfolio Management Group, Smith Barney Advisor Program and Citi Institutional Consulting. He has been with CGM or its predecessor firms since 1988. Mr. Tracy received a B.A. from Marietta College in Ohio in accounting and management.

Thomas J. Butler, born 1957, is a Managing Director of Citibank N.A. and Chief Operating Officer of Smith Barney's Investment Advisory Services (IAS) division. Previously, Mr. Butler was the head of Citi's Global Wealth

Management International Client Solutions unit. Prior to joining Citi in 1998, Mr. Butler headed a structured finance unit at UBS Securities LLC and was Principal and Counsel at Babcock & Brown, a boutique investment bank. Mr. Butler received his B.A. from Rutgers University in 1979 and his J.D. from Rutgers University School of Law - Newark in 1982. Mr. Butler was formerly licensed to practice law in the states of NY, NJ and Texas and currently holds his Series 24, 7 and 63 securities licenses.

Andrew J. Baldauf, born 1967, is Director of CGM, Chief Compliance Officer of CGM's Investment Advisory Businesses and Director of Managed Account Compliance in the Compliance Department of CGM's Smith Barney division. Previously he was Chief Compliance Officer of Global Hedge Strategies, LLC, a joint venture between Citi and Pacific Alternative Asset Management Company. Prior to joining Citigroup in 2004, Mr. Baldauf was Vice President and Chief Compliance Officer of Arnhold and S. Bleichroeder Advisers, LLC and ASB Securities, LLC and a Vice President of First Eagle Funds, Inc. Mr. Baldauf holds a B.S. with highest honors from Rutgers University and a J.D. from Fordham University School of Law.

Consulting Group

Marc J. Brookman, born in 1963, is a Managing Director and Director of Products and Services for Smith Barney's Consulting Group. He has been with CGM or its affiliates since 2004. Prior to joining CGM he held numerous positions within some of the premier asset management firms. Mr. Brookman received his BA from James Madison University.

Stephen Hagan, born 1968, is a Director and Senior Research Analyst of CGM. Mr. Hagan is co-portfolio manager of Consulting Group Capital Markets Funds and the Fiduciary Asset Management program. He has been with CGM or its predecessor companies since 1993. Mr. Hagan holds a B.S. in Legal Studies from John Jay College.

Kevin C. Johnson, born 1973 is a First Vice President of CGM. He has been with CGM or its predecessor companies since 1995. Mr. Johnson received a B.S. in Accounting from the University of Delaware.

Frank Nickel, III, born 1965, is a Managing Director of CGM. He has been with CGM or its predecessor companies since 1993. Prior to joining CGM, Mr. Nickel was a Credit Analyst with Chemical Bank from 1989 to 1993. Mr. Nickel received a B.A. in Political Science and an M.A. in Economics from the University of Delaware. Mr. Nickel is a Chartered Financial Analyst.

LeRoy Pease, III, born 1958, is a Senior Vice President of CGM. He has been with CGM or its predecessor companies since 1996. Prior to joining CGM, Mr. Pease was the Chief Investment Officer at Emerging Manager Trust Group from 1995 to 1996 and Manager of Investment Strategy, Equity Investments and Fixed Income Investments for Bell Atlantic from 1985 to 1995. Mr. Pease holds a B.S. in Accounting from St. Joseph's University and an M.B.A. in Finance from Drexel University. Mr. Pease is a Chartered Financial Analyst.

Jason B. Moore, born 1972, is a Senior Vice President of CGM. He has been with CGM or its predecessor companies since 1995. Prior to joining CGM, Mr. Moore worked at Chemical Bank. Mr. Moore received a B.S. in Finance and a M.B. A. in Finance from the University of Delaware.

Glenn Regan, born 1965, is a Managing Director of CGM, Head of Investment Advisor Research for the Global Wealth Management sector of Citigroup, and Chief Investment Officer of Smith Barney's Consulting Group. He has been with CGM or its predecessor firms since 1987. Mr. Regan holds a B.S. in Business Administration from Syracuse University School of Management. Mr. Regan is a charter holder of the CFA designation

Douglas Schindewolf, born 1960, is a Managing Director of CGM. He has been with CGM or its predecessor firms since 1986. Prior to joining CGM, Mr. Schindewolf worked at the Federal Reserve Bank of New York. Mr. Schindewolf holds a B.S. in Finance from Rider University and an M.A. in Economics from New York University.

Mark V. Swankoski, born 1958, is a Vice President of CGM. He has been with CGM or its predecessor firms since 2003. He received his B.S. in Quantitative Business Analysis from Pennsylvania State University and an M.S. in Economics from the University of Delaware. Prior to joining CGM, Mr. Swankoski was a portfolio manager with DuPont Capital Management.

Paul M. Weisenfeld, born 1970, is a Managing Director of CGM and is the Chief Operating Officer of Global Wealth Management Alternative Investments, a division of CGM. Mr. Weisenfeld has been with CGM or its predecessor firms since 2000. Prior to joining CGM, Mr. Weisenfeld was an associate and member in the

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Patrick M. Schussman, born 1964, is a Director of CGM and the Director of Institutional Businesses for IAS including Citi Institutional Consulting, CG Institutional Services and Portfolio Advisory Services. Most recently, Patrick served as the Divisional Director for the Western Division of CG. Mr. Schussman holds a Bachelor of Science, Business Administration/Finance, from California State University at Northridge. He is a Chartered Financial Analyst and a Certified Investment Management Analyst.

Portfolio Management Group

Michael P. Salamida, born 1966, is a Managing Director of CGM and the Director of the PM, GPM & ETF Programs. Mr. Salamida has been with GWM or its predecessor companies since 1988. Mr. Salamida holds a BS in Business Administration and Finance and an MBA in International Business and Finance, from Fordham University.

Smith Barney Advisor

Rosalie F. Berman, born 1975, is a Director of CGM and the Director of Smith Barney Advisor. Ms. Berman has been with Citigroup or its predecessor companies since 1999. Ms. Berman holds a Bachelor of Science degree from Tufts University.

Private Portfolios Group

Roger Paradiso, born 1966, is a Managing Director of CGM and President and Chief Investment Officer of Private Portfolios Group as division of CGM. Prior to April 2008, he was the President and Chief Investment Officer Legg Mason Private Portfolio Group, LLC ("LMPPG") since 2007. Previously, he was a Portfolio Manager and Managing Director of ClearBridge which he joined in December 2005. Prior to December 2005, Mr. Paradiso was a Managing Director of CGM and served as a Portfolio Manager of Smith Barney Asset Management, a division of CGM. He joined CGM's predecessor in 1988. Mr. Paradiso received a B.S. in Finance from Long Island University.

Darren Recupero, born 1968, is a Managing Director of CGM and Chief Operating Officer of Private Portfolios Group. Prior to April 2008, he was the Chief Operating Officer of LMPPG since 2007. Previously, Mr. Recupero served as Business Manager for the Active Platform of Citigroup Asset Management and was a Managing Director of CGM. He joined Citigroup Asset Management in August 2000 as Head of US Retail Business Management. Before joining Citigroup Asset Management, Mr. Recupero held the following professional positions: Director of National Accounts at John Nuveen and Company (1999-2000) and Director of Investment Manager Research at Prudential Investments (1991-1999). He holds a B.A. in Government Politics and Economics from The University of Maryland, College Park, MD.

Elba R. Cruz, born 1966, is a Managing Director of CGM and Senior Portfolio Strategist of Private Portfolios Group. Prior to April 2008, she was the Director of Structured Portfolios of LMPPG since 2007. Previously, Ms. Cruz was a Portfolio Manager and a Director of ClearBridge, which she joined in December 2005. Prior to joining ClearBridge, Ms. Cruz was a Director of CGM and served as a Portfolio Manager of Smith Barney Asset Management. She joined CGM's predecessor in 1991 and holds a B.S. in Accounting from Hunter College, City University of New York.