

**Item 1 – Cover Page**

**Prudential International Investments Advisers, LLC**

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March 11, 2016

This brochure provides information about the qualifications and business practices of Prudential International Investments Advisers, LLC (“PIIA”). If you have any questions about the contents of this brochure, please contact us at 973.802.5261 and/or holly.wyatt@prudential.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

PIIA is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training.

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

## **Item 2 – Material Changes**

This brochure, dated March 11, 2016, replaces our prior brochure, dated January 6, 2016 and our last annual update of the brochure dated March 31, 2015. There have been no material changes since our last brochure dated January 6, 2016. We are required to update this brochure each year within 90 days of the end of our fiscal year. Our brochure may be requested by contacting Holly Theresa Wyatt, our Chief Compliance Officer, at 973.802.5261 or [holly.wyatt@prudential.com](mailto:holly.wyatt@prudential.com).

Additional information about PIIA is available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### Item 3 – Table of Contents

Item 1 – Cover Page.....	i
Item 2 – Material Changes.....	ii
Item 3 – Table of Contents.....	iii
Item 4 – Advisory Business.....	1
Item 5 – Fees and Compensation.....	2
Item 6 – Performance Based Fees and Side-by-Side Management.....	3
Item 7 – Types of Clients.....	3
Item 8 –Methods of Analysis, Investment Strategies and Risk of Loss.....	4
Item 9 – Disciplinary Information.....	8
Item 10 – Other Financial Industry Activities and Affiliations.....	8
Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	11
Item 12 – Brokerage Practices.....	14
Item 13 – Review of Accounts.....	15
Item 14 – Client Referrals and Other Compensation.....	16
Item 15 – Custody.....	16
Item 16 – Investment Discretion.....	16
Item 17 – Voting Client Securities.....	16
Item 18 – Financial Information.....	16

## Item 4 – Advisory Business

### Our Firm

Prudential International Investments Advisers, LLC (“PIIA”) is an SEC-registered investment adviser organized as a Delaware limited liability company. PIIA has been in business since 2005. When we use the terms “we,” “us,” and “our” in this brochure, we are referring to PIIA. In addition, any references to “our employees” or “our officers” mean PIIA employees or officers.

PIIA is a direct, wholly-owned subsidiary of Prudential International Investments, LLC (“PII”) and an indirect, wholly-owned subsidiary of Prudential Financial, Inc. (“Prudential Financial”)<sup>1</sup>, a publicly held company (NYSE Ticker “PRU”).

### Our Advisory Business in General

PIIA offers nondiscretionary model portfolios and advisory services, including investment management services, for equity and fixed income portfolios and asset allocation strategies. PIIA also provides discretionary investment management services for fixed income and equity portfolios which are delegated to affiliated sub-advisers.

PIIA provides advice on the selection of sub-advisers. PIIA’s initial identification and review of advisers include coordination with each client’s investment and product teams. The review and recommendation process is principally focused on a quantitative and qualitative analysis of each sub-adviser’s strategy, investment process, team, and performance.

PIIA has client relationships with two affiliated offshore investment managers for certain offshore domiciled investment products

- PIIA’s primary client is our affiliate, UBI Pramerica SGR S.p.A. (“UBI Pramerica”). UBI Pramerica is a joint venture between Unione di Banche Italiane S.c.p.a. (“UBI”) and Prudential International Investments Corporation (“PIIC”), an indirect, wholly-owned subsidiary of Prudential Financial. PIIA acts as a non-discretionary investment adviser to individual client accounts of UBI Pramerica. PIIA also serves as a discretionary investment manager to a series of funds and segregated accounts for UBI Pramerica and UBI Management Company, S.A, a wholly-owned subsidiary of UBI Pramerica. PIIA delegates the provision of these services to affiliated sub-advisers through separate sub-advisory agreements.
- PIIA’s other client is our affiliate, Prudential Financial Securities Investment Trust Enterprise (“PF SITE”), which is an indirect, majority-owned subsidiary of Prudential Financial. PIIA acts as a nondiscretionary investment adviser to PF SITE.

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<sup>1</sup> *Prudential Financial, Inc. is not affiliated in any manner with Prudential plc, a company incorporated in the United Kingdom.*

Additional information about these client relationships can be found in Item 10.

### **Our Assets Under Management**

As of December 31, 2015, our assets under management were as follows:

- Discretionary: \$6,214,719,735
- Nondiscretionary: \$0

The amount disclosed under “Assets Under Management” does not include any assets for which PIIA provides non-discretionary investment advisory services, because PIIA does not provide continuous and regular supervisory or management services in relation to such assets.

## **Item 5 – Fees and Compensation**

### **Advisory Fees**

We negotiate fees with our clients individually. Fees paid by clients vary based on factors, such as the type of advice provided, the size of the client account, the investment strategy, the relationship with the client, and the required level of service. Fees may also differ based on account type.

PIIA considers its management fees to be within market range based on PIIA’s market analysis of fees for index funds and actively managed funds and consideration of the customized nature of PIIA’s services. Since fees are negotiable, clients with similar characteristics, investment objectives or strategies may pay different fees.

### **Payment of Fees**

Depending on the client’s preference, advisory fees are billed to the client and are typically payable either monthly or quarterly in arrears.

We neither require nor solicit clients to pay advisory fees in advance. If a client were to pay advisory fees in advance and the client’s advisory contract were terminated before the end of a billing period, we would refund any unearned, prepaid fees on a pro rata basis.

### **Other Amounts Payable by Clients**

Our advisory fees are the only amounts payable by clients to PIIA. PIIA pays fund sub-advisers out of PIIA’s advisory fees according to multi-year contracts. Advisory fees may only be changed by written amendment and agreement with impacted clients.

Clients are generally responsible for other fees and expenses related to their accounts, including custodian fees, brokerage fees, and other transactions costs.

## **Other Compensation**

Neither PIIA nor its supervised persons receive any compensation directly related to the sale of securities or other investment products.

## **Compensation of Our Investment Professionals**

PIIA's investment professionals are compensated through a combination of base salary, a performance-based annual cash incentive bonus, and an annual long-term incentive grant.

An investment professional's incentive compensation, including both the annual cash bonus and long-term incentive grant, is determined by considering (i) such person's contribution to meeting our clients' investment objectives, and (ii) such person's qualitative contributions to the organization. The incentive compensation of each investment professional is not based on the performance of, or the value of assets in, any single account or group of client accounts. The long-term incentive grants are subject to vesting requirements.

PII Human Resources regularly benchmarks its total compensation program against leading asset management firms to monitor our competitiveness.

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

PIIA does not currently receive any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client). PIIA does not engage in side-by-side management (PIIA does not manage accounts with asset-based fees alongside accounts with performance-based fees).

## **Item 7 – Types of Clients**

Our clients (as discussed in Item 4 and Item 10) are affiliated offshore investment managers for certain offshore domiciled investment products. Products include investment trusts, UCITS funds (used here to refer to collective investment schemes permitted under the European Union Directives known as Undertakings for Collective Investment in Transferable Securities Directives), and SICAVs (société d'investissement à capital variable, a type of collective investment scheme). These products are not subject to provisions of the Investment Company Act of 1940 of the U.S. Generally, we do not require a minimum account size. However, we may consider account size when establishing the investment vehicle and characteristics of a mandate.

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

### Our Methods of Analysis and Investment Strategies

We offer investment strategies that fall into four broad categories:

1. Global Asset Allocation Strategies
2. Global and Regional Equity Strategies
3. Global Bond Strategy
4. Regional Fund of Funds Strategy

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- Global Asset Allocation Strategies: PIIA's global asset allocation strategies employ disciplined approaches that recommend allocations between different asset classes, geographical regions, and sectors. In formulating these asset allocation strategies, we use proprietary quantitative asset allocation models developed by our experienced research team. These models incorporate various factors that impact returns on different assets, including macroeconomic factors (GDP growth, inflation, interest rates, fiscal policy and exchange rates), valuation, earnings, and various risk measures. For over five years, we have applied these models to a variety of global stock and bond markets.
  - Global and Regional Equity Strategies: We implement our global and regional equity strategies in several different actively managed model portfolios, including: (a) a country and sector-based, top-down equity exchange traded fund ("ETF") portfolio; (b) a global stock portfolio that combines bottom-up stock selection with top-down country and sector overlays; and (c) quantitative benchmark-oriented equity portfolios focused on specific sectors and regions.
    - (a) The country and sector-based, top-down equity model is implemented by country, sector, and style (large cap, small cap) ETFs, gaining exposure to both developed and emerging equity markets. The top-down strategy is based on PIIA's global asset allocation models, which use a variety of macroeconomic, valuation, earnings, risk and momentum factors to compare and rank various countries and sectors across the globe. The model portfolio is constructed using these rankings and the relative weights of different countries and sectors within the benchmark.
    - (b) The global stock model uses bottom-up stock picking to take positions in both developed and emerging market stocks. A pool of approximately 300 stocks is filtered based on size within each sector from a universe of all the stocks in the MSCI World and MSCI Emerging Market indexes. PIIA uses its proprietary stock ranking models, which rely on a combination of valuation, momentum and brokerage analyst ratings, to rank stocks within each sector. The model portfolio is then constructed on the basis of stock rankings and

benchmarks weights, coupled with an overlay of PIIA's top-down, country and sector strategies.

(c) PIIA's quantitative benchmark-oriented equity strategies are used to construct global, sector-specific and regional portfolios. Stocks in the respective benchmarks are filtered and ranked based on multiple factors, while quantitative screens ensure that the stocks with bigger weights in the benchmark are included in the portfolio to keep the tracking error low. For regional portfolios, top-down regional models are also used to develop country allocations.

- Global Bond Strategy: PIIA's global bond strategy is a multi-factor model that uses a structured and disciplined framework to compare and rank global, developed bond markets (U.S., Eurozone, U.K., and Japan). The model ranks markets and recommends allocation among global, government bond markets using macroeconomic factors (growth, inflation, growth momentum, and inflation momentum), policy interest rates, real yields, yield levels, valuation, and risk.
- Regional Fund of Funds Strategy: PIIA's fund of funds selection models use a combination of country and regional ETFs and mutual funds to gain exposure to regional and country stock markets. The country and regional stock market selection is based on the recommendations of PIIA's top-down regional and global equity strategy models. The mutual funds are selected using PIIA's mutual fund selection criteria, which compare a variety of quantitative metrics including, historical performance against peers' historical performance, the variability of fund performance against peers' fund performance, and Sharpe ratio.

### **Primary Risks Associated with Our Methodology and Strategies**

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

- Asset Allocation Risk: We may overweight or allocate assets to an asset class that ultimately underperforms. Similarly, we may underweight or allocate fewer assets to an asset class that subsequently outperforms.
- Equity Market Risk: Our equity models include both U.S. and non-U.S. stocks and ETFs. Equity markets can be volatile and may vary unpredictably in response to many factors. These include, without limitation, fundamental, economic, and political factors. If financial markets fall, an individual company's value can also decrease, regardless of its performance.
- Bond Market Risk: Our global bond model includes both U.S. and non-U.S. bonds. Bond markets can be volatile and may vary unpredictably in response to many factors. These include, without limitation, fundamental, economic, and political factors.



- Currency Risk: Assets in model portfolios may be denominated or quoted in currencies other than the base currency for the portfolio. Accordingly, changes in exchange rates will affect the value of these model portfolios. Generally, when the base currency of the portfolio appreciates in value against the currency in which the assets are denominated, then these assets denominated in the non-base currency lose value when translated to base currency because that non-base currency is worth lesser than earlier against the base currency, and vice versa.
- Foreign Securities Risk: Investing in securities of non-U.S. issuers, especially of those in developing or emerging countries, generally involves more risk than investing in those of U.S. issuers. The risks include, without limitation: (1) Foreign political, economic, and legal systems, especially in developing and emerging countries, may be less stable and more volatile than those in the U.S. Foreign legal systems may have fewer regulatory requirements than the U.S. legal system has (2) The changing value of foreign currencies could affect the value of securities; Foreign countries may impose restrictions on the ability of non-U.S. issuers to make payment of principal, interest, or dividends to investors located outside the country (3) Investments in foreign securities may be subject to non-U.S. withholding and other taxes (4) Emerging market investments are typically subject to greater volatility and price declines.
- Security Selection Risk: The value of an individual stock and, similarly, the value of an investment in that security, are subject to volatility. Our investment processes may select specific securities, industries or sectors that underperform compared to other securities, industries, sectors, or the market generally.
- ETF Risk: Through its investments in the underlying ETFs, the portfolio will be subject to the risks associated with such vehicles' investments. Performance of the ETFs may not track closely to the performance of the underlying benchmarks. Some underlying ETFs are subject to the risk that a decline in the credit quality of a counterparty to a portfolio investment could cause the underlying ETFs to fall. The underlying ETFs could lose money if the issuer or guarantor of a portfolio investment or the counterparty to a derivatives contract fails to make timely principal or interest payments or otherwise honor its obligations.
- Risks of Investing in Mutual Funds: (1) The investment strategy of the fund of funds models involve periodic allocation changes to mutual funds that entail investing into or redeeming out of mutual fund holdings. The fund of fund's performance may be impacted by exit loads or other redemption charges that may be charged at the time of redemption from the underlying mutual fund holdings. (2) The underlying mutual fund may suspend or restrict the purchase/redemption of mutual fund units due to occurrence of certain events. Periodic allocation changes to mutual funds could be delayed as a result of such suspension/restriction of purchase/redemption of units by the mutual fund parent company. (3) Initial investment in mutual funds may require opening client accounts with the respective mutual fund parent companies. This may result in a delay in investing in the mutual funds. (4) Investment strategy

implemented by mutual funds could deviate from their stated investment objectives and could result in performance deviations not intended by PIIA.

- Turnover Risk: Our investment strategies may include long-term purchases as well as short-term purchases. We may make frequent changes to our allocation decisions, which may result in higher portfolio turnover and higher transaction costs in an account.
- Use of External Data Sources Risk: We subscribe to external data sources that serve as inputs to our investment models. We also use external software applications to analyze performance attribution and to supplement our proprietary risk management tools. We have developed appropriate internal procedures to validate the reasonability of data provided from external sources; however, there can be no guarantee that the data received from these sources is accurate.
- Model Design Risk: Quantitative strategies are based on academic theory and historical results in various market cycles. These strategies are designed to perform consistently over time. However, these strategies may not perform as expected and may result in greater risk of loss when the markets behave differently from, or change more rapidly and frequently than, the way the investment teams have experienced in the past.

### **Risks Related to Technology and Cyber Security**

We and our clients (including any service providers and intermediaries) depend heavily on telecommunication, information technology and other operational systems. These systems may fail to operate properly or become disabled as a result of events or circumstances wholly or partly beyond our or their control. Further, despite implementation of a variety of risk management and security measures, our information technology and other systems, and those of others, could be subject to physical or electronic break-ins, unauthorized tampering or other security breaches, resulting in a failure to maintain the security, availability, integrity and confidentiality of data assets. Technology failures or cyber security breaches, whether deliberate or unintentional, including those arising from use of third-party service providers or sub-advisers, or client usage of systems to access accounts, as well as failures or breaches suffered by the issuers of securities in which our strategies invest, could delay or disrupt our ability to do business and service our clients, harm our reputation, result in a violation of applicable privacy and other laws, require additional compliance costs, subject us to regulatory inquiries or proceedings and other claims, lead to a loss of clients and revenues or financial loss to our clients or otherwise adversely affect our business or the portfolios of clients and funds we manage.

### **Risks Related to Our Conflicts of Interest**

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

- elimination of the conflict;
- disclosure of the conflict; or
- management of the conflict through the adoption of appropriate policies and procedures.

Various conflicts of interest are discussed throughout this document, including in Item 11. Please review this information carefully and contact us if you have any questions.

We may determine to share certain information about our models with a client or prospective client to the extent we consider such information necessary for the client's or prospective client's general understanding of our investment process. Nevertheless, we reserve the right to maintain confidentiality with respect to any and all aspects of our processes, in our discretion, to protect our proprietary rights in our investment strategies and processes.

### **Item 9 – Disciplinary Information**

There have been no legal or disciplinary events that would be material to an evaluation of our advisory business or the integrity of our management.

### **Item 10 – Other Financial Industry Activities and Affiliations**

As an indirect wholly-owned subsidiary of Prudential Financial, we are part of a diversified, global financial services organization. We are affiliated with many types of financial service providers, including broker-dealers, insurance companies and other investment advisers. PIIA has relationships and arrangements with the following investment advisers: Quantitative Management Associates, LLC (“QMA”), Jennison Associates, LLC (“Jennison”), and PGIM, Inc. (“PGIM Fixed Income”). None of the funds described below have been registered under the Investment Company Act of 1940 and no fund shares are offered for sale in the U.S. or to any U.S. person (as defined under the Securities Act of 1933).

#### **Relationships with Affiliates**

##### UBI Pramerica SGR, S.p.A. (“UBI Pramerica”)

As discussed in Item 4, we offer and manage investment funds in Italy by acting as an investment adviser of our affiliate UBI Pramerica. UBI Pramerica is registered with Italy's Commissione Nazionale per le Società e la Borsa. As UBI Pramerica's investment adviser, we provide nondiscretionary and discretionary advisory services to several individual client accounts of UBI Pramerica.

##### *Nondiscretionary Advisory Services*

PIIA provides its affiliate UBI Pramerica with nondiscretionary advisory services with respect to assets managed by UBI Pramerica. Such advice includes asset allocations by country and sector, research, model portfolios, and selection of individual securities within these countries and sectors. UBI Pramerica retains the sole and absolute discretion to make

purchase and sale decisions and retains the authority to designate brokers and dealers executing transactions for those assets. UBI Pramerica is also responsible for all administrative, operational, legal, compliance, accounting and audit, transfer agency, custody, reporting, and other services relating to those assets.

#### *Discretionary Advisory Services*

PIIA serves as the discretionary investment manager to a designated series of the UBI SICAV Fund (the “SICAV Fund”), a designated series of the UBI Pramerica Fund (the “UBI Pramerica Mutual Funds”), and the Emergenti Volatility Target Segregated Equity Portfolio (the “UBI Pramerica Portfolio”).

**The SICAV Fund** is a multi-series offshore investment company with variable capital (Societe d’ Investissement a Capital Variable) formed under the laws of the Grand Duchy of Luxembourg. UBI Management Company, S.A., (the “Management Company”) organized under the laws of the Grand Duchy of Luxembourg and a wholly owned subsidiary of UBI Pramerica, is the appointed management company of the SICAV Fund. The Management Company has delegated its investment management function for a designated series of the SICAV Fund to PIIA. PIIA has further delegated such function to affiliated U.S. domiciled and registered investment advisers. As discussed above, these affiliated sub-advisers are: QMA Jennison, and PGIM Fixed Income.

- QMA is a sub-adviser to UBI SICAV Fund -Asia Pacific Equity, UBI SICAV Fund - Emerging Markets Equity, and UBI SICAV Fund -Global Equity.
- Jennison is a sub-adviser to UBI SICAV Fund -USA Equity.
- PGIM Fixed Income is a sub-adviser to UBI SICAV Fund -High Yield Bond, UBI SICAV Fund-Emerging Markets Bond Fund, UBI SICAV Fund-Global Corporate Bond Fund, UBI SICAV Fund- Cedola Emerging Markets and UBI SICAV Fund-Global High Yield Euro Hedged.

**The UBI Pramerica Mutual Funds** are open-ended funds established and managed by UBI Pramerica. UBI Pramerica has delegated its investment management function for a designated series of the UBI Pramerica Mutual Funds to PIIA. PIIA has further delegated such function to affiliated U.S. domiciled and registered investment advisers: QMA, Jennison and PGIM Fixed Income.

- QMA is a sub-adviser to UBI Pramerica Fund-Asia Pacific Equity, UBI Pramerica Fund- Emerging Markets Equity, and UBI Pramerica Fund- Global Equity.
- Jennison is a sub-adviser to UBI Pramerica Fund- USA Equity.
- PGIM Fixed Income is a sub-adviser to UBI Pramerica Fund- Global High Yield Bond, UBI Pramerica Fund- Dollar Bond Fund, UBI Pramerica Fund- Global Corporate Bond Fund and UBI Pramerica Fund- Global High Yield Euro Hedged.

**The UBI Pramerica Portfolio** is a segregated account domiciled in Ireland, managed by UBI Pramerica in connection with the UBI SICAV Protezione Mercati Emergenti Fund, a sub-fund of the UBI SICAV Fund. UBI Pramerica has delegated to PIIA its investment management function with regard to two sub-accounts of the UBI Pramerica Portfolio. PIIA has further delegated the function to QMA.

#### Prudential Financial Securities Investment Trust Enterprise (“PF SITE”)

PIIA serves as nondiscretionary investment adviser to our affiliate PF SITE, which is registered with Taiwan's Securities and Futures Bureau (“SFB”). PF SITE is an indirect majority owned subsidiary of Prudential Financial.

#### *Nondiscretionary Advisory Services*

PIIA serves as the nondiscretionary investment adviser to PF SITE with respect to the following open-ended equity funds (“PF SITE Funds”) managed by PF SITE: Prudential Financial Global Consumer Trends Fund, Prudential Financial Global Resources Fund, Prudential Financial Latin America Fund, Prudential Financial Global Bio-Health Fund, Prudential Financial European Selection Fund, Prudential Financial Emerging Market Selection Fund, and Prudential Financial Asia Pacific Fund.

- For the Prudential Financial Global Bio-Health Fund, PIIA has sub-delegated the fund to a non-affiliated third party manager who provides nondiscretionary investment advice to PF SITE.
- PIIA also advises PF SITE with respect to the selection of unaffiliated sub-advisers for several other PF SITE Funds.

#### **Other Activities**

PIIA publishes investment reports that may form part of our overall advisory services, and provides general economic advice and analysis of various security markets and market sectors. Generally, these reports are created monthly and are made available upon request to affiliates, clients, and to the media on a limited basis.

PIIA also provides nondiscretionary investment advice regarding asset/regional country allocation, and/or model portfolios to some of our offshore advisory affiliates.

#### **Conflicts Related to Our Affiliations**

##### Dual Officers/Dual Employees

Prudential Financial, ultimate parent company of PIIA, holds a 35% ownership interest in UBI Pramerica through its subsidiary, PIIC. As set forth further above, UBI Pramerica is also a PIIA client. One of our representatives serves as a member of UBI's board of directors. Pursuant to written controls and agreements among all of the parties, no employees or

officers of PIIA are permitted to participate in any UBI Pramerica board discussions or voting which may involve PIIA.

### Other Conflicts

As discussed in Item 4, PIIA provides advice concerning the selection of sub-advisers to our clients. PIIA's search process may include the recommendation of affiliated and unaffiliated sub-advisers. PIIA has and may continue to recommend that an affiliate act as a sub-adviser. PIIA may appear to have a bias in recommending an affiliated sub-adviser; however, as discussed previously in Item 7, PIIA's current clients are also PIIA's affiliates. Furthermore, PIIA applies a similar process in its selection of an affiliate or non-affiliate sub-adviser. PIIA's initial identification and review of advisers will include coordination with each client's investment and product teams. The review and recommendation process is principally focused on a quantitative and qualitative analysis of each sub-adviser's strategy, investment process, team, and performance. The investment styles employed by a portfolio's sub-adviser may not be complementary. The sub-adviser that PIIA recommends to clients may have a portfolio that may underperform the market generally or underperform against other sub-advisers that could have been selected for that portfolio.

A final written recommendation report is then shared with each client's investment and product teams for their consideration and due diligence. Clients always retain discretion over the sub-advisers selected. In some instances, our clients will specifically direct us to select among our affiliated sub-advisers. Although our process may be adjusted to accommodate the client's wishes, our review and recommendation process remains principally the same in its focus on analysis of strategy, process, capabilities, and performance.

Regarding replacing sub-advisers, PIIA conducts an annual quantitative and qualitative review of sub-advisers and makes recommendations to clients accordingly. Clients can also initiate an evaluation of sub-advisers. Clients always retain discretion over replacing a sub-adviser.

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

### **Code of Ethics**

We maintain a code of ethics as required by applicable SEC rules. Our code of ethics requires employees to conduct business in an honest and forthright manner in accordance with the highest ethical standards. In addition, the code of ethics requires employees to put client interests ahead of our own and disclose actual and potential significant conflicts of interest. The code of ethics incorporates our information barrier and personal securities trading policies that are described in greater detail below. PIIA employees' outside business activities are required to be approved in advance by the employee's supervisor and law and compliance units. Generally, PIIA employees are not permitted to invest in outside businesses which directly compete with PIIA. Our employees are required to promptly report

any violation of the code of ethics to our Chief Compliance Officer. We will provide a copy of our code of ethics to clients or prospective clients upon request.

### **Information Barrier Policy**

PIIA's information barrier policy and support procedures are designed to prevent the communication of material, non-public information across the firm and to mitigate the potentials for breaches to the information barrier. Under the policy, an employee may not communicate material, non-public information to another employee not having the need to know without approval from the law and compliance units. In addition, employees sign a document evidencing receipt of the policy and attest that they understand it. All PIIA employees must undergo initial and annual training and subsequently attest to their understanding of the policy and the Chief Compliance Officer approval must be obtained for any exceptions to the policy.

Our policy requires that we maintain a restricted list of any issuers about which we have material, non-public information.

### **Personal Securities Trading Standard**

Personal trading by our employees may create a conflict when they are trading the same securities or types of securities as we trade on behalf of our clients. Our code of ethics incorporates Prudential Financial's personal securities trading standards which are intended to address some of these conflicts. The standard's trade pre-clearance requirement enables our compliance unit to determine whether the proposed trade by an employee conflicts with a pending trade on behalf of a client account. If it does, the employee will not be allowed to transact in that security.

PIIA's personal securities trading policy governs the trading activities of our employees as well as their household members and dependents. Subject to certain limited exceptions, employees are required by the policy to:

- report personal securities transactions to our corporate compliance unit;
- pre-clear personal securities transactions (for employees considered to be "access persons" under SEC rules);
- maintain brokerage accounts only with certain approved brokers that report transaction information to our corporate compliance unit; and
- annually report securities holdings to our corporate compliance unit.

Our access persons and investment personnel are subject to additional restrictions under the policy, including the following:

- investment personnel are generally prohibited from purchasing securities in initial public offerings;

- access persons may not trade any security on the same day that we trade such security (or an equivalent security) for client accounts (other than in client accounts that replicate a broad-based index);
- investment personnel are prohibited from trading any security within seven days before or after we trade such security (or an equivalent security) for client accounts (other than in client accounts that replicate a broad-based index);
- investment personnel must disgorge any profits from the purchase and sale (in whatever order) of the same security within 60 days; and
- access persons may not write naked call options or buy naked put options on a security held in a client account.

All employees must annually confirm that they have read and understand our code of ethics, including the personal securities trading and information barrier policies.

### **Gifts and Entertainment Policy**

Our employees may occasionally give or receive gifts, meals or entertainment of moderate value, subject to compliance with applicable laws and regulations and rules of self-regulatory organizations. PIIA has adopted gift and entertainment standards to address the conflicts of interest related to gifts and entertainment, such as the appearance of having given or received something of value that influenced our business decisions or the business decisions of our clients. The policy requires the reporting and preclearance of gifts, meals and entertainment given or received which exceed certain thresholds, with additional procedures in place to ensure compliance with (i) ERISA regulations, (ii) the Foreign Corrupt Practices Act (“FCPA”), and (iii) rules related to employees of local, state or federal governments. In addition, our employees are prohibited from soliciting the receipt of gifts, meals or entertainment. Senior management periodically reviews summaries of gifts and entertainment activity to detect trends of abuse, conflicts of interest, or possible violations of the standard.

### **Political Contributions Policy**

Due to the potential for conflicts of interest, Prudential Financial and PIIA have established standards, policies and procedures relating to political contributions that are designed to comply with applicable federal, state and local law. Under PIIA’s political contributions policy, all employees (including spouses and dependent children) must obtain preapproval before making any political contributions.

### **Valuation Policy**

PIIA is not the pricing agent for security valuations in its client’s model portfolios. Clients are responsible for fair valuation. PIIA uses a third party pricing service for the purpose of tracking, reporting, and analyzing its advisory results.

### **Nepotism Policy**

In an effort to address the potential conflicts that can arise from having family members employed by either PIIA or one of the affiliates, all PIIA employees are required to



acknowledge their understanding of the Investment Advisers Code of Ethics, Prudential Code of Ethics, and Investment Adviser Background Questionnaire. Employees are also subject to annual ethical training “Making the Right Choices”.

### **Conflicts Relating to Our Investments**

We may be asked to provide investment advice to multiple accounts. Our affiliations and investment advisory relationships may cause potential and actual conflicts of interest. We will, to the best of our ability, conduct ourselves in a manner we consider to be fair and consistent with our fiduciary obligations to all of our clients.

As discussed in Item 10, certain affiliates of PIIA develop investment research that is independent from PIIA’s research. We may hold different opinions on the investment merits of a given security or industry than that developed and published by an affiliate. Our research may recommend to our client that a security be purchased or held while an affiliated entity may be recommending or executing a transaction to sell the same security. Conversely, our research may recommend to our clients the sale of the same security that an affiliate may be recommending or executing a transaction to purchase or hold an investment in that security. Our procedures include supervisory review procedures designed to manage each account in a manner that is consistent with its investment objectives, investment strategies and restrictions, as well as PIIA's fiduciary obligations.

## **Item 12 – Brokerage Practices**

### **Brokerage Selection/Recommendations**

Subject to our advisory agreements, we have also delegated to those sub-advisers the authority to select broker-dealers. For example, under the terms of the discretionary management and sub-advisory agreements relating to the select sub-funds of the SICAV Fund, PIIA and our affiliated sub-advisers are authorized to manage the investments of each sub-fund. Under each agreement, PIIA and/or our affiliated sub-advisers are subject to certain parameters as to the brokers or dealers that may be utilized.

Generally, primary consideration is given to securing the best available price and execution. In doing so, sub-advisers may pay higher commissions for a particular transaction when, in their opinion, to do so would further the goal of obtaining the best available price and execution.

Subject to client approval as described within the advisory and related agreements, sub-advisers may select an affiliated broker-dealer. However, any remuneration received by broker-dealer affiliates must be fair and reasonable compared to the remuneration paid to other brokers in connection with comparable transactions involving similar securities being purchased or sold on an exchange during a comparable period of time. This standard would allow broker-dealer affiliates to receive no more than the remuneration that would be expected to be received by an unaffiliated broker in a commensurate arms-length transaction. Brokerage transactions with broker-dealer affiliates are also subject to such fiduciary standards as are imposed by applicable laws.

## **Soft Dollars and Research Services**

Currently, PIIA does not execute trades with any brokers and does not enter into any third party or proprietary soft dollar arrangements where a broker-dealer provides research services in exchange for an expectation of receiving a certain dollar amount of commissions.

We subscribe to outside data sources that provide information for our investment models. We pay for products and services provided by third-party entities. We use research in connection with some or all of our investment activities. Such research that we receive in connection with one client account may be used in managing other accounts. We have no agreements with these broker-dealers to direct trades to them based upon their provision of research or other services to us.

## **Brokerage for Client Referrals**

In selecting or recommending broker-dealers, we do not consider whether we or any of our related persons receive referrals from such broker-dealers or any other third parties.

## **Directed Brokerage**

Clients should evaluate the relative costs, advantages and disadvantages to them of directed brokerage when considering whether or not to direct us to use one or more specific brokers.

## **Item 13 – Review of Accounts**

PIIA periodically reviews client accounts. The investment team led by the Chief Executive Officer reviews each portfolio's performance against relevant peer groups and benchmarks on a quarterly, annual, and a longer-term basis. The investment team shares a quantitative and qualitative analysis of the sub-advisers' investment activity and fund's performance with the client as needed and upon request. In addition, the investment team reviews monthly and quarterly reports prepared by the sub-advisers. Pursuant to our advisory agreements, the investment team instructs and manages the sub-advisers to produce and deliver written reports to the client. These reports include monitoring of portfolio holdings in accordance with investment policies, guidelines and objectives of the fund, and any material violations.

PIIA uses its staff of experienced and specialized analysts and management to identify, evaluate, select, and monitor assigned sub-advisers. This may include periodic visits with assigned investment sub-advisers. Our compliance department works with the management review team both during initial due-diligence as well as part of ongoing compliance monitoring. The sub-adviser evaluation process utilizes both qualitative and quantitative attributes, questionnaires, detailed interviews, on-site visits, and ongoing monitoring of portfolio performance and holdings.

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

We do not receive economic benefits from anyone who is not a client in connection with the advisory services we provide to our clients. We also do not compensate any person (who is not our supervised person) for client referrals.

#### **Item 15 – Custody**

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

Our clients will receive account statements from their custodians on at least a quarterly basis and are advised to carefully review those statements.

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

PIIA receives discretionary (or nondiscretionary) investment authority pursuant to a written investment management or similar agreement between the client and PIIA. As discussed further in Item 10, we have delegated that authority to competent investment advisers subject to client approvals.

Our discretionary authority to manage client accounts is guided by the mandate selected by the client and any client-imposed guidelines or restrictions.

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

Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in most client portfolios. PIIA does not take itself any action with respect to the voting of proxies solicited by, or with respect to, the issuers of any securities held in those client portfolios. PIIA or another delegated investment adviser may provide advice to clients regarding the clients' voting of proxies. For certain client portfolios, delegated investment advisers have the responsibility to vote proxies. These advisers apply voting procedures and conflicts of interest policies that are disclosed to the relevant clients or are otherwise made available as part of the relevant adviser's Form ADV brochure.

#### **Item 18 – Financial Information**

We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to our clients.