



**Standish Mellon Asset Management (Singapore) Pte.  
Limited**

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**Form ADV Part 2A  
April 22, 2015**

This brochure provides information about the qualifications and business practices of Standish Mellon Asset Management (Singapore) Pte. Limited. If you have any questions about the contents of this brochure, please contact us by phone at (617) 248-6000 or by email at [info@standish.com](mailto:info@standish.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.

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

## **Item 2. Summary of Material Changes**

Standish Mellon Asset Management (Singapore) Pte. Limited is newly registered with the SEC as an investment adviser and this is the first time we are required to prepare and provide this brochure to you. Accordingly, a summary of material changes is not required. In the future, we will summarize material changes that are made to this brochure since our last annual update.

### **Item 3. Table of Contents**

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#### **Item 4. Advisory Business**

Standish Mellon Asset Management (Singapore) Pte. Limited (the “Firm” or “Standish (Singapore)” or “We” or “Us”) is a dedicated fixed income manager that is newly formed and organized under the laws of Singapore as a private limited company. Standish (Singapore) is 100% owned by BNY Mellon Investment Management (APAC) Holdings Limited, which is a wholly-owned indirect subsidiary of The Bank of New York Mellon Corporation (“BNY Mellon”).

Standish (Singapore) currently offers Asian fixed income, emerging markets and global strategies. We offer discretionary and non-discretionary investment advisory services to institutional investors, and to affiliated investment advisers through sub-advisory agreements. Standish (Singapore) is registered with the Securities and Exchange Commission as a registered investment adviser and holds a capital markets services license in fund management with the Monetary Authority of Singapore. Registration does not imply a certain level of skill or training.

We offer investment advisory services tailored to meet clients’ investment goals. We work with clients to create investment guidelines mutually acceptable to the client and Standish (Singapore). When creating investment guidelines, clients may impose investment restrictions in certain individual securities or types of securities. Clients who impose investment restrictions might limit our ability to employ the strategy resulting in investment performance that differs from that of the composite and other client accounts. The strategies in which we may invest client assets and the fees we may receive for managing such strategies are described below.

We also offer investment advisory services in the form of pooled investment vehicles or “Funds”. Each pooled investment vehicle has an investment objective and a set of investment policies and/or guidelines that we must follow. For these reasons, we cannot tailor the investment guidelines of a Fund to meet individual investor needs. In addition, we cannot impose individual investment restrictions on our investment strategies for underlying investors in the pooled investment vehicles.

As of December 31, 2014, we manage \$32,307,707 on a discretionary basis.

#### **Item 5. Fees and Compensation**

We provide investment advisory services for a fee. This fee is typically charged as a percentage of the market value of the portfolio. While this fee is typically expressed as an annual percentage, it is calculated based on average daily, month end, or quarter end net assets, typically includes accrued income and is typically charged to the client’s account on a monthly or quarterly basis, in arrears. Clients may arrange to have their fees deducted automatically by their custodian from their assets or billed separately. The client’s investment advisory agreement may also provide that a client will incur fees and expenses in addition to advisory fees such as custody, brokerage and other transaction costs, administrative and other expenses. Examples of other costs and expenses may include markups, mark-downs and other amounts included in the price of a security, odd-lot differentials, transfer taxes, wire transfer fees and electronic fund fees. Clients are advised to review their investment advisory agreement for further information

on how we charge and collect fees. Please see Item 12 of this brochure for more information on our brokerage practices.

**Asian Fixed Income separate accounts:**

0.35% on the first USD \$50 million  
0.30% on the next USD \$50 million  
0.25% over USD \$100 million

Minimum account size is USD \$50 million.

Minimum annual fee is USD \$175,000. Minimum annual fee may vary depending on account size.

**Global Core, Global Core Plus and Non-US Fixed Income separate accounts:**

0.35% on the first USD \$50 million  
0.30% on the next USD \$50 million  
0.25% over USD \$100 million

Minimum account size is USD \$50 million.

Minimum annual fee is USD \$175,000. Minimum annual fee may vary depending on account size.

**Emerging Markets Debt: Including US\$-denominated, Local Currency denominated, EM Corporate Debt and EMD Opportunistic separate accounts:**

0.50% on the first USD \$100 million  
0.40% on the next USD \$150 million  
0.35% over USD \$250 million

Minimum account size is USD \$50 million.

Minimum annual fee is USD \$250,000. Minimum annual fee may vary depending on account size.

**Negotiated Fees**

We reserve the right, in our sole discretion, to negotiate or modify (either up or down) the basic fee schedules set forth above for any client due to a variety of factors, including but not limited to: the level of reporting and administrative operations required to service an account, the investment strategy or style, the number of portfolios or accounts involved, and/or the number and types of services provided to the client. Because our fees are negotiable, the actual fee paid by any client or group of clients may be different from the fees reflected in our basic fee schedules set forth above. We typically do not offer Most Favored Nation clauses in our investment management agreements.

## **Other Fees**

If allowed by investment guidelines, Standish (Singapore) may invest the portfolio in pooled investment vehicles (including those advised or sub-advised by Standish (Singapore) or an affiliate) that themselves bear advisory fees and operational expenses such as transfer agent, custody, audit, tax, brokerage and other transaction costs, administrative and other expenses. The portfolio will indirectly bear these fees and expenses as an investor in such pooled investment vehicles and, as a result, you will bear higher expenses than if the portfolio invested directly in the securities held by the pooled investment vehicle.

## **Advisory or Sub-Advisory Services**

Standish (Singapore) may serve as subadviser to its affiliates Standish Mellon Asset Management Company LLC (“Standish (US)”), Standish Mellon Asset Management (UK) Limited (“Standish (UK)”) or any other BNY Mellon affiliate. For the investment advisory services provided by Standish (Singapore), these investment advisers pay compensation to Standish (Singapore) based on a percentage of assets under management.

## **Additional Fee Information**

For portfolios subject to ERISA, the value of any client account holdings invested in affiliated mutual funds is excluded from the amount on which our separate account fees are computed. In cases where a client account is not subject to ERISA, and / or where investments comprising the client portfolio are invested in an affiliated vehicle not constituting a mutual fund, we may, subject to client contractual requirements and applicable law, including but not limited to ERISA, calculate our separate account fee on the aggregate amount of the client’s portfolio. In certain instances where we have agreed to charge a flat fee for all assets under management, an adjustment may be made to the fee to take into account the holdings in affiliated mutual funds.

From time to time, we may enter into different compensation arrangements with other clients, including arrangements providing for compensation on the basis of a share of the capital gains upon, or the capital appreciation of, the funds, or any portion of the funds of a client, in accordance with and to the extent permitted by Section 205-3 of The Investment Advisers Act of 1940 (“Advisers Act”), as amended, and the rules and regulations thereunder.

## **Item 6. Performance Fees and Side-by-Side Management**

Advisers are subject to certain fiduciary standards under federal law and owe clients an affirmative duty of utmost good faith to act solely in the best interests of the client and to make full and fair disclosure of all material facts, particularly where the adviser’s interests may conflict with the client’s best interests. In this section, we describe our performance based fee arrangements and our side-by-side management activities and the inherent conflicts in such arrangements.

We may enter into performance based fee arrangements with clients or pooled investment vehicles. These arrangements typically provide for an asset based management fee, based on the market value of the account at specified month or quarter ends, plus a performance fee based on the portfolio’s net return in excess of a specified benchmark during a designated period of time.

Performance fees are typically subject to a cap. For more detailed information on how performance fees are calculated, please see relevant offering documents.

“Side-by-side management” refers to our simultaneous management of multiple types of client accounts/investment products. For example, we may manage separate accounts, managed accounts, and pooled investment vehicles for clients at the same time. Our clients have a variety of investment objectives, policies, strategies, limitations and restrictions. Our affiliates likewise manage a variety of separate accounts, managed accounts, and pooled investment vehicles.

Side-by-side management gives rise to a variety of potential and actual conflicts of interest for us, our employees and our supervised persons. Below we discuss the conflicts that we and our employees and supervised persons face when engaging in side-by-side management and how we deal with them.

Note that we manage our accounts consistent with applicable law, and we follow procedures that are reasonably designed to treat our clients fairly and to prevent any client or group of clients from being systematically favored or disadvantaged. For example, we have Trade Allocation Policies and Procedures which are designed and implemented to help ensure that all clients are treated fairly and equally, and to prevent these conflicts from influencing the allocation of investment opportunities among clients. Please see Item 12 for an explanation of our Trade Allocation Policies and Procedures.

### **Conflicts of Interest Relating to Performance Based Fees When Engaging in Side-by-Side Management**

We may manage accounts that are charged a performance-based fee and other accounts that are charged a different type of fee, such as a flat asset-based fee. We have a financial incentive to favor accounts with performance-based fees because we (and our employees and supervised persons) may have an opportunity to earn greater fees on such accounts as compared to client accounts without performance-based fees. Thus, we have an incentive to direct our best investment ideas to client accounts that pay performance-based fees, and to allocate, aggregate or sequence trades in favor of such accounts. We also have an incentive to give accounts with performance-based fees better execution and better brokerage commissions. Notwithstanding the above, most performance based fee arrangements are subject to a cap. Please see Item 12 for an explanation of our Trade Allocation Policies and Procedures.

### **Conflicts of Interest Relating to the Management of Multiple Client Accounts**

We and our affiliates perform investment advisory services for various clients. We may give advice and take action in the performance of our duties with respect to any one client which may differ from the advice given, or the timing or nature of action taken, with respect another client. We have no obligation to purchase or sell for a client any security or other property which we purchase or sell for our own account or for the account of any other client, if it is undesirable or impractical to take such action. We may give advice or take action in the performance of our duties with respect to any one client which may differ from the advice given, or the timing or nature of action taken by our affiliates on behalf of their respective clients.

## **Conflicts of Interest Relating to Investment in Affiliated Accounts**

To the extent permissible under applicable law (including compliance with any applicable ERISA prohibited transaction exemptions), and where allowed by client guidelines, we may invest client accounts in affiliated mutual funds. We have an incentive to allocate investments to these types of affiliated accounts in order to generate additional fees for us or our affiliates.

Standish (Singapore) may also, in appropriate circumstances and consistent with the client's investment objectives and applicable law, recommend to clients investment products in which it or a related party has a financial interest.

## **Conflicts of Interest Relating to “Proprietary Accounts”**

We, our affiliates, and our existing and future employees may from time to time manage and/or invest in products managed by Standish (Singapore) and we or related persons may establish “seeded” funds or accounts for the purpose of developing new investment strategies and products (“Proprietary Accounts”). Investment by Standish (Singapore), our affiliates, or our employees in Proprietary Accounts may create conflicts of interest. We have an incentive to favor these Proprietary Accounts by, for example, directing our best investment ideas to these accounts or allocating, aggregating or sequencing trades in favor of such accounts, to the disadvantage of other accounts. We also have an incentive to dedicate more time and attention to our Proprietary Accounts and to give them better execution and brokerage commissions than our other client accounts. Please see Item 12 for an explanation of our Trade Allocation Policies and Procedures.

## **Other Conflicts of Interest**

As noted previously, we and our affiliates manage numerous accounts with a variety of interests. This necessarily creates potential conflicts of interest for us. For example, we or an affiliate may cause multiple accounts to invest in the same investment. Such accounts may have conflicting interests and objectives in connection with such investment, including differing views on the operations or activities of the portfolio company, the targeted returns for the transaction and the timeframe for and method of exiting the investment. Conflicts may also arise in cases where multiple Firm and/or affiliate client accounts are invested in different parts of an issuer's capital structure. For example, one of our client accounts could acquire debt obligations of a company while an affiliate's client account acquires an equity investment. In negotiating the terms and conditions of any such investments, we may find that the interests of the debt-holding client accounts and the equity holding client accounts may conflict. If that issuer encounters financial problems, decisions over the terms of the workout could raise conflicts of interest (including, for example, conflicts over proposed waivers and amendments to debt covenants). For example, debt holding accounts may be better served by a liquidation of an issuer in which it could be paid in full, while equity holding accounts might prefer a reorganization of the issuer that would have the potential to retain value for the equity holders. As another example, holders of an issuer's senior securities may be able to act to direct cash flows away from junior security holders, and both the junior and senior security holders may be Firm client accounts. As we become aware of any of the foregoing conflicts of interest they will be discussed and resolved on a case-by-case basis. Any such discussions will factor in the interests of the relevant parties and applicable laws. Please see Item 12 for an explanation of our Trade Allocation Policies and Procedures.



Standish (Singapore), in its capacity as a nondiscretionary investment adviser, may provide research reports to other Standish (Singapore) affiliates, including Standish (UK) and Standish (US) for their use in fulfilling their investment management responsibilities to their clients, including reports and verbal updates covering securities which may also be held in client accounts managed by Standish (Singapore). Such reports do not include buy/sell/hold recommendations.

### **Item 7. Types of Clients**

We may provide advisory services to Undertakings for Collective Investments of Transferable Securities (“UCITS”), other non-US regulated funds, central banks, sovereign wealth funds, separate accounts, and other U.S. and international institutional investors.

### **Account Requirements:**

We require clients to execute a written investment management agreement, granting us authority to manage their assets. Client accounts are subject to a minimum account size. Client accounts may also be subject to minimum annual fees; please refer to Item 5 for more information.

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

#### **Investment Process**

Standish (Singapore)’s investment process combines top-down, macroeconomic analysis with bottom-up research to identify attractive securities based on proprietary, fundamental research. Our top-down approach includes macroeconomic research to assess the overall risk environment, and determine broad portfolio themes, industry emphasis, and overall portfolio quality. Industry analysis includes identifying the key players within each industry, understanding the evolution and history of the industry, determining what business models are likely to be successful, and participating in key industry events when possible.

With this macroeconomic foundation in place, our analysts scour their respective industry universes to identify issuer- and security-level sources of potential alpha. In analyzing a specific issuer and its fixed income securities, we carefully assess the fundamental characteristics of each issuer. We thoroughly analyze key variables as they relate to Standish (Singapore) and conduct a comprehensive historical analysis of operations and financials, including applying financial and scenario analysis of individual issuers. In terms of corporations, we focus on important leading indicators and measures of profitability, including management quality, free cash flow, financial flexibility, market share, revenue growth, margin trends, and access to capital. In terms of countries, we analyze fiscal responsibility, important growth and inflation ratios, and use an internal rating process. To assess the future direction of credit quality, we build our own pro-forma financials based on input/data received from the issuer, rating agency contacts and other sources. Our analysts also conduct one-on-one meetings with key senior management and officials when possible, and attend conferences and teleconferences where we have the opportunity to meet with, and get to know management from a large range of issuers within a given industry. We internally rate each security that is analyzed.

## **Investment Strategies**

Standish (Singapore)'s investment strategies span the wide range of actively managed fixed income disciplines. Our investment strategies use both quantitative and fundamental methods to search for value while employing rigorous risk management and a broad opportunity set.

### **Asian Debt**

With the Asian Debt Strategy, our investment process combines top-down, macroeconomic analysis with bottom-up research to identify attractive securities based on proprietary, fundamental research. Our top-down approach includes macroeconomic research to assess the overall risk environment, and determine broad portfolio themes, sector emphasis, and overall portfolio quality. The main indicators we use to achieve the desired strategy results are:

*Valuation:* We use a number of valuation indicators and quantitative models to help us establish fair value for a bond or currency, risk-adjusted carry and real yields. While valuation is a cornerstone of our investment process, we recognize that it is not a timing tool and that there are other indicators that we need to monitor.

*Cyclical Research:* Once the level of fair value is estimated, we then perform our cyclical research, which is based on classical fundamental macroeconomics. Our cyclical research and indicators try to answer the basic question of why a bond is over- or undervalued. We try to understand where capital is going to flow based on shifting portfolio balances.

Our bottom up approach is based on in-depth, fundamental research on issuers. Our approach focuses heavily on credit risk, specifically the ability and willingness of an issuer to meet its obligations in a timely manner. This fundamental approach is then weighed against value by addressing a simple question; "is compensation sufficient for the risks taken". This value for risk approach uses a rigorous relative value assessment across issuers, credit ratings, countries, industries and tenors.

Our investment strategies use both quantitative and fundamental methods to search for value while employing rigorous risk management and a broad opportunity set. Our investment objective is to outperform a benchmark index over a full market cycle, on an absolute and risk-adjusted basis. Benchmark indexes include the JP Morgan Asian Credit Index and HSBC Asian Local Bond Index or similar indices. Our investment strategy also seeks to add alpha through active management which may include decisions with respect to country allocation, security selection, active currency management and interest rate positioning.

In seeking to achieve our investment objective, the investments we may make on behalf of client accounts include external and local currency Asian sovereign, quasi-sovereign and supranational bonds and external and local currency Asian corporate bonds.

In certain accounts, we may be permitted to invest client assets in financial futures contracts and options on such futures contracts. A change in the level of interest rates, currency exchange rates or the rate of inflation may affect the value of a client's securities (or of securities that we expect to purchase on behalf of a client). We believe that futures contracts and options thereon may provide an effective mechanism for increasing or decreasing interest rate, currency exchange rate

and general market exposure in changing markets and also believes that such techniques can be used to take advantage of temporary inefficiencies in the markets to enhance yields and returns.

The futures contracts may be based on various securities or indices, such as U.S. government securities, Eurodollar time deposits, securities indices, economic indices (such as the Consumer Price Indices compiled by the U.S. Department of Labor) and other financial instruments and indices. We may engage in futures and related options transactions both for bona fide hedging and non-hedging purposes.

We may use long and short transactions in stock index and bond index futures to implement these strategies.

### **Emerging Markets**

Objective: Seeks to outperform the index over a full market cycle, on an absolute and risk-adjusted basis.

Benchmarks: Including JP Morgan Government Bond Index – Emerging Markets Global Diversified, JP Morgan Emerging Markets Bond Index Global, JP Morgan Corporate Emerging Markets Bond Index Diversified or similar indices.

Investment Universe: Includes external and local currency emerging market sovereign, quasi-sovereign and supranational bonds, external and local currency emerging market corporate bond. The strategy employs various fixed income derivatives including futures, options, swaps and forward contracts, in particular currency forwards.

Alpha Sources: Strategy seeks to add alpha through active management which may include decisions with respect to country allocation, security selection, active currency management and interest rate positioning.

Risk: Annualized tracking error varies depending on the client mandate

### **Global**

Standish (Singapore) believes sophisticated fixed income investors, regardless of their location around the globe, understand the importance of diversifying outside of their domestic markets. Our global/international strategies take advantage not only of sovereign debt, but the increasingly robust global corporate bond market, utilizing our special expertise in corporate bond analysis. Strategies may be structured on a hedged or unhedged basis into any currency.

Objective: Generally maximized return relative to benchmark index over 3-5 year market cycle with appropriate amount of risk.

Benchmark: Includes Barclays Capital Global Aggregate Index, Barclays Capital Global Aggregate Ex-US Index, JP Morgan Global Government Bond Index, BofA Merrill Lynch Global Government 1-3 Index.

Investment Universe: Generally includes U.S. and non-U.S. corporate bonds, mortgage/asset-backed securities, Treasuries/TIPS, U.S. and non-U.S. government bonds, and in the case of 'Plus' portfolios, high yield and emerging markets debt as well. The strategy employs various fixed income derivatives including futures, options, swaps and forward contracts.

Alpha Sources: Strategy seeks to add alpha through active management which may include decisions with respect to security selection, sector allocation, currency allocation and interest rate positioning.

Risk: Annualized tracking error is typically between 75-300 basis points.

### **Emerging Markets Countries Classification**

To be considered an Emerging Market country, the country must be classified as low/middle income by the World Bank for at least two consecutive years (based on data lagged one year) and as non-advanced by the International Monetary Fund. In addition, Standish (Singapore) will consider additional criteria, such as the presence of capital controls, geopolitical risk, inclusion in well respected emerging markets indices, such as JP Morgan or MSCI and others when it considers the country to have an emerging economy or market.

### **Environmental, Social and Governance Screening**

Certain clients may wish to incorporate social and environmental standards into their portfolios. For these clients, we monitor their unique restrictions to meet their investment objectives. Standish (Singapore) also uses MSCI ESG Research to integrate Environmental, Social, and Governance (ESG) into our investment process and to restrict certain industries or specific issuers from being purchased/held in these clients' portfolios. This service enables us to screen for all publically traded companies involved in business activities restricted by the client's investment guidelines. MSCI ESG Research currently covers the following industries: Abortion, Alcohol, Adult Entertainment, Contraceptives, Firearms, Gambling, Military, Nuclear Power, Tobacco, Human Rights, Environment, Stem Cell, Predatory Lending, and Labor Relations. Standish (Singapore) has set certain screening thresholds when using ESG and can discuss these upon request. In November 2012, Standish (US) became a signatory to the United Nations Principles for Responsible Investment (UN PRI), underlining its commitment to incorporating environmental, social and governance (ESG) issues into its credit and investment processes. In its capacity as sub-adviser to Standish (US), Standish (Singapore) may become subject to managing client assets in the manner set forth in the UN PRI.

### **Use of Derivatives**

Except to the extent prohibited or limited by client agreements or guidelines, Standish (Singapore) from time to time includes derivatives in client portfolios. Derivatives may include, among other things, swaps, options and futures. Derivatives may be used for interest rate and other hedging purposes relating to particular investments or for overall portfolio management. In addition, derivatives may include credit default swaps, total return swaps, credit linked notes, forwards or other similar derivatives, which will typically relate to investments, or indexes of investments (such as CDX-related derivatives), that would be permitted to be held directly in the relevant client's portfolio; such derivatives generally replicate one or more aspects of directly

investing in such investments. In using derivatives, Standish (Singapore) takes into account, among other things, structural, operational and counterparty risks, as well as the characteristics of the underlying investment or index.

In certain accounts, Standish (Singapore) is permitted to invest client assets in financial futures contracts and options on such futures contracts. A change in the level of interest rates, currency exchange rates or the rate of inflation may affect the value of a client's securities (or of securities that Standish (Singapore) expects to purchase on behalf of a client). Standish (Singapore) believes that futures contracts and options thereon may provide an effective mechanism for increasing or decreasing interest rate, currency exchange rate and general market exposure in changing markets and also believes that such techniques can be used to take advantage of temporary inefficiencies in the markets to enhance yields and returns.

The futures contracts may be based on various securities or indices, such as U.S. government securities, Eurodollar time deposits, securities indices, economic indices (such as the Consumer Price Indices compiled by the U.S. Department of Labor) and other financial instruments and indices. Standish (Singapore) engages in futures and related options transactions both for bona fide hedging and non-hedging purposes.

Standish (Singapore) uses long and short transactions in stock index and bond index futures to implement these strategies.

### **Use of Leverage**

Standish (Singapore) defines leverage as borrowing money to purchase or sell securities or engaging in any derivative transaction other than for hedging or replication purposes.

### **Use of To-Be-Announced Mortgage Securities**

Except to the extent prohibited or limited by client account agreements or guidelines, Standish (Singapore) from time to time may use techniques referred to as "trade financing" to seek incremental enhancement of portfolio returns. Trade financing techniques include, among other things, the use of a portfolio of fixed-income instruments to provide principal and income to fund total return swaps, treasury futures, mortgage TBAs and similar over-the-counter forward contracts. The purpose of trade financing is generally to exploit opportunities between spot and forward rates while using short to medium term instruments as a means of internally hedging the relevant trading position.

Standish (Singapore) uses TBAs in order to: (1) replicate mortgage securities; and (2) enhance portfolio returns (trade financing). TBAs for replication purposes are fully collateralized by US Treasury securities with less than 6 months to maturity.

Use of TBAs for trade financing is limited to a 100% notional percentage of the account's total market value. A maximum of 25% of the market value of the account may be collateralized by securities other than U.S. Treasury or Agency securities with less than six months until maturity. In using trade financing techniques, Standish (Singapore) takes into account, among other things, structural, operational and counterparty risks.

## **Cash Management**

Most of our strategies will be fully invested the majority of the time but will use cash for tactical or strategic purposes. We may hold some cash balances due to cash flows or limited availability of securities due to market conditions rather than tactical judgments. We will also from time to time hold cash balances as a means of reducing risk in portfolios. We manage cash conservatively and excess cash is typically invested in short-dated US Treasury bills or remains in the appropriate client selected cash sweep vehicle.

## **Risks**

### **Summary of Material Risks:**

Each investment strategy we offer invests in a variety of securities and employs a number of investment techniques that involve certain risks. Investing in securities and derivatives involves risk of loss that you should be prepared to bear.

The table below and the section that follows the table sets forth information concerning the material risks involved with each strategy. An “X” in the table indicates that the strategy involves the corresponding risk. An empty box indicates that the strategy does not involve the corresponding risk in a material way. However, an empty box does not guarantee that the strategy will not be subject to the corresponding risk.

The risks set forth below represent a general summary of the material risks involved in the investment strategies we offer. If applicable, please refer to the “Risk Factors” section in the offering documents for a more detailed discussion of the risks involved in an investment in a fund.

RISKS	Asian Debt	EMERGING MARKETS	GLOBAL
General Risks	X	X	X
Asset-backed securities risk	X		X
Banking industry risk	X	X	X
Call Risk	X		X
Counterparty Risk	X	X	X
Country, industry & market sector risk			X
Country & sector allocation risk			X
Credit risk	X	X	X
Credit Default Swaps	X	X	X

RISKS	Asian Debt	EMERGING MARKETS	GLOBAL
Credit-Linked Notes	X	X	X
Derivatives risk	X	X	X
Emerging market risk	X	X	X
Emerging market risk – fixed income	X	X	X
Foreign Currency Options		X	X
Foreign currency risk	X	X	X
Foreign government obligations and securities of supranational entities risk	X	X	X
Foreign investment risk	X	X	X
Forward Foreign Currency Exchange Transactions	X	X	X
Futures Contracts	X	X	X
Government securities risk	X	X	X
High yield bond risk	X		X
Inflation-indexed security risk	X	X	X
Interest rate risk	X	X	X
Issuer and market risk	X	X	X
Leverage risk	X		X
Liquidity risk	X	X	X
Market & credit risk	X	X	X
Market risk	X	X	X
Market sector risk	X	X	X
Municipal securities risk	X		
Non-diversification risk	X	X	X

RISKS	Asian Debt	EMERGING MARKETS	GLOBAL
Options	X		X
Prepayment and extension risk	X		X
Swap Agreements	X		X
Trading Limitations	X		X
US Treasury securities risk	X	X	X

## **GENERAL RISKS**

Investing in securities involves risk of loss that you should be prepared to bear. We do not guarantee or represent that our investment program will be successful. Our past results are not necessarily indicative of our future performance and our investment results may vary over time. We cannot assure you that our investments of your money will be profitable, and in fact, you could incur substantial losses. Your investments with us are not a bank deposit and are not insured or guaranteed by the FDIC or any other government agency.

The risks set forth below represent a general summary of the material risks involved in the investment strategies described above. If applicable, please refer to the “Risk Factors” section in the offering documents for a more detailed discussion of the risks involved in an investment in a fund.

- *Allocation risk.* The asset classes in which the strategy seeks investment exposure can perform differently from each other at any given time (as well as over the long term), so the strategy will be affected by its allocation among the various asset classes. If the strategy favors exposure to an asset class during a period when that class underperforms, performance may be hurt.
- *Call risk.* Some bonds give the issuer the option to call, or redeem, the bonds before their maturity date. If an issuer “calls” its bond during a time of declining interest rates, the strategy might have to reinvest the proceeds in an investment offering a lower yield, and therefore might not benefit from any increase in value as a result of declining interest rates. During periods of market illiquidity or rising interest rates, prices of “callable” issues are subject to increased price fluctuation.
- *Clearance and settlement risk.* Many emerging market countries have different clearance and settlement procedures from developed countries. There may be no central clearing mechanism of settling trades and no central depository or custodian for the safe keeping of securities. The registration, record-keeping and transfer of instruments may be carried out manually, which may cause delays in the recording of ownership. Increased settlement risk may increase counterparty and other risk. Certain markets have experienced periods when settlement dates are extended, and during the interim, the market value of an instrument may change. Moreover, certain markets have experienced periods when settlements did not keep pace with the volume of transactions resulting in



settlement difficulties. Because of the lack of standardized settlement procedures, settlement risk in emerging markets is more prominent than in more mature markets.

- *Closed-end Investment Companies – Valuation Risk.* The interests of a closed-end investment company may trade above (a premium) or below (a discount) the net asset value of such entity's portfolio. At times, discounts could widen or premiums could shrink either diluting positive performance or compounding negative performance. There is no assurance that discounted entities will appreciate to their net asset value.
- *Correlation risk.* Although the strategy seeks to deliver returns that are not typically representative of the broad market by allocating its assets among satellite asset categories or investment strategies, there can be no guarantee that the performance of the underlying funds or the fund will have a low correlation to that of traditional asset classes under all market conditions.
- *Counterparty Creditworthiness.* Under certain conditions, a counterparty to a transaction could default and the market for certain securities or financial instruments in which the counterparty deals may become illiquid.
- *Counterparty risk.* The risk that a counterparty in a repurchase agreement or other derivative investment could fail to honor the terms of its agreement.
- *Country and sector allocation risk.* While the portfolio managers use the country and sector weightings of the strategy's benchmark index as a guide in structuring the strategy's portfolio, they may overweight or underweight certain countries or sectors relative to the index. This may cause the strategy's performance to be more or less sensitive to developments affecting those countries or sectors.
- *Country, industry and market sector risk.* The strategy may be overweighted or underweighted, relative to the a selected benchmark in companies in certain countries, industries or market sectors, which may cause the strategy's performance to be more or less sensitive to positive or negative developments affecting these countries, industries or sectors. In addition, the strategy may, from time to time, invest a significant portion (more than 25%) of its total assets in securities of companies located in particular countries, such as the United Kingdom and Japan, depending on such country's representation within the client's selected benchmark.
- *Credit risk.* Failure of an issuer to make timely interest or principal payments, or a decline or perception of a decline in the credit quality of a bond, can cause a bond's price to fall. See also "High yield bond risk."
- *Exchange Traded Funds.* Exchange Traded Funds ("ETFs") are shares of publicly traded unit investment trusts, open-end funds or depository receipts that seek to track the performance and dividend yield of specific indexes or companies in related industries. These indexes may be either broad-based, sector, or international. However, ETF shareholders are generally subject to the same risk as holders of the underlying financial instruments they are designed to track. ETFs are also subject to certain additional risks, including, without limitation, the risk that their prices may not correlate perfectly with changes in the prices of the underlying financial instruments they are designed to track, and the risk of trading in an ETF halting due to market conditions or other reasons, based on the policies of the exchange upon which the ETF trades.

- *Interest rate risk.* Prices of debt securities tend to move inversely with changes in interest rates. Typically, a rise in rates will adversely affect the prices of these securities and, accordingly, the value of your investment. The longer the effective maturity and duration of the strategy's portfolio, the more the value of your investment is likely to react to interest rates. Mortgage-related securities can have a different interest rate sensitivity than other bonds, however, because of prepayments and other factors, and may carry additional risks and be more volatile than other types of debt securities due to unexpected changes in interest rates.
- *Investment strategy risk.* The strategy's sustainability investment criteria may limit the number of investment opportunities available to the strategy, and, as a result, at times the strategy's returns may be lower than those of strategies that are not subject to such special investment considerations.
- *Issuer risk.* The value of a security may decline for a number of reasons which directly relate to the issuer, such as management performance, financial leverage and reduced demand for the issuer's products or services.
- *Liquidity risk.* When there is little or no active trading market for specific types of securities, it can become more difficult to sell the securities at or near their perceived value. In such a market, the value of such securities and the value of your investment may fall dramatically, even during periods of declining interest rates. Liquidity risk also exists when a particular derivative instrument is difficult to purchase or sell. If a derivative transaction is particularly large or if the relevant market is illiquid (as is the case with many privately negotiated derivatives), it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price. The secondary market for certain municipal bonds tends to be less well developed or liquid than many other securities markets, which may adversely affect the strategy's ability to sell such municipal bonds at attractive prices..
- *Market risk.* The market value of a security may decline due to general market conditions that are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. A security's market value also may decline because of factors that affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry.
- *Market sector risk.* A given strategy may significantly overweight or underweight certain companies, industries or market sectors, which may cause the strategy's performance to be more or less sensitive to developments affecting those companies, industries or sectors.
- *Preferred stock risk.* Preferred stock is a class of a capital stock that typically pays dividends at a specified rate. Preferred stock is generally senior to common stock, but subordinate to debt securities, with respect to the payment of dividends and on liquidation of the issuer. The market value of preferred stock generally decreases when interest rates rise and is also affected by the issuer's ability to make payments on the preferred stock.
- *Systemic Risk.* World events and/or the activities of one or more large participants in the

financial markets and/or other events or activities of others could result in a temporary systemic breakdown in the normal operation of financial markets. Such events could result in a portfolio losing substantial value caused predominantly by liquidity and counterparty issues which could result in a portfolio incurring substantial losses.

- *U.S. Government Securities.* Each portfolio may invest in U.S. government securities, including bills, notes, bonds and other debt securities issued by the U.S. Treasury. These instruments are direct obligations of the U.S. government and, as such, are backed by the “full faith and credit” of the United States government. They differ primarily in their interest rates, the lengths of their maturities and the dates of their issuance. Each portfolio may also invest in securities issued by agencies or instrumentalities of the U.S. government. These obligations, including those guaranteed by federal agencies or instrumentalities, may or may not be backed by the “full faith and credit” of the United States government. All of the foregoing are referred to collectively as “U.S. government securities.” Securities issued or guaranteed by agencies or instrumentalities are supported by (i) the full faith and credit of the United States; (ii) the limited authority of the issuer to borrow from the U.S. Treasury; or (iii) the authority of the U.S. government to purchase certain obligations of the issuer. No assurance can be given that the U.S. government will provide financial support to its agencies and instrumentalities as described in (ii) and (iii) above, other than as set forth, since it is not obligated to do so by law. In the case of securities not backed by the full faith and credit of the United States, a portfolio must look principally to the agency issuing or guaranteeing the obligation for ultimate repayment and may not be able to assert a claim against the United States if the agency or instrumentality does not meet its commitments.
- *Warrants and rights risk.* Warrants and rights may become worthless if the price of the stock does not rise above the exercise price by the expiration date. This increases the market risks of warrants as compared to the underlying security.
- *When-Issued and Delayed-Delivery Securities.* “When-issued” or “delayed delivery” refers to securities whose terms and indenture are available and for which a market exists, but which are not available for immediate delivery. While the portfolio will purchase securities on a when-issued or delayed-delivery basis only with the intention of acquiring the securities, the portfolio may sell the securities before the settlement date if it is deemed advisable. At the time the portfolio makes the commitment to purchase securities on a when-issued or delayed delivery basis, the portfolio will record the transaction and thereafter reflect the value, each day, of the security in determining the net asset value of the portfolio. When these transactions are negotiated, the price (which is generally expressed in yield terms) is fixed at the time the commitment is made, but delivery and payment for the securities take place at a later date. During the period between commitment by a portfolio and settlement (generally within two months but not to exceed 120 days), no payment is made for the securities purchased by the purchaser, and no interest accrues to the purchaser from the transaction. These securities are subject to market fluctuation, and the value at delivery may be less than the purchase price. A portfolio will engage in when-issued transactions in order to secure what is considered to be an advantageous price and yield at the time of entering into the obligation. When a portfolio engages in when-issued or delayed-delivery transactions, it relies on the buyer or seller, as the case may be, to consummate the transaction. Failure to do so may result

in a portfolio losing the opportunity to obtain a price and yield considered to be advantageous. If a portfolio chooses (i) to dispose of the right to acquire a when-issued security prior to its acquisition or (ii) to dispose of its right to deliver or receive against a forward commitment, it may incur a gain or loss. To the extent a portfolio engages in when-issued and delayed-delivery transactions, it will do so for the purpose of acquiring or selling securities consistent with its investment objectives and policies and not for the purposes of investment leverage. A portfolio enters into such transactions only with the intention of actually receiving or delivering the securities, although (as noted above) when-issued securities and forward commitments may be sold prior to the settlement date.

## **STRATEGY SPECIFIC RISKS**

- *Asset-backed securities risk.* General downturns in the economy could cause the value of asset-backed securities to fall. In addition, asset-backed securities present certain risks that are not presented by mortgage-backed securities. Primarily, these securities may provide the strategy with a less effective security interest in the related collateral than do mortgage-backed securities. Therefore, there is the possibility that recoveries on the underlying collateral may not, in some cases, be available to support payments on these securities.
- *Banking industry risk.* The risks generally associated with concentrating investments in the banking industry, such as interest rate risk, credit risk, and regulatory developments relating to the banking industry.
- *Credit Default Swaps ("CDS")* The "buyer" in a credit default contract is obligated to pay the "seller" a periodic stream of payments over the term of the contract provided that no event of default on an underlying obligation has occurred. If a "credit event" occurs, the seller must pay the buyer the full notional value, or "par value," of the obligation. CDS transactions are either "physical settled" or "cash settled." Physical settlement entails the actual delivery by the buyer of the reference asset to the seller in exchange for the payment of the full par value of the reference asset. Cash settled entails a net cash payment from the seller to the buyer based on the difference of the par value of the reference asset and the current market value of the reference asset. The portfolio may be either the buyer or seller in a CDS transaction. CDS can be used to address the perception of the client that a particular credit, or group of credits, may experience credit improvement or deterioration. In the case of expected credit improvement, the portfolio may sell credit default protection in which it receives a premium to take on the risk. In such an instance, the obligation of the portfolio to make payments upon the occurrence of a credit event creates leveraged exposure to the credit risk of the referenced entity. The portfolio may also buy credit default protection with respect to a reference entity if there is a high likelihood of perceived credit deterioration or for risk management purposes. In such instance, the portfolio will pay a premium regardless of whether there is a credit event. If the portfolio is a buyer and no credit event occurs, the portfolio will have made a series of periodic payments and recover nothing of monetary value. However, if a credit event occurs, the portfolio (if the buyer) will receive the full notional value of the reference obligation either through a cash or physical settlement. As a seller, the portfolio

receives a fixed rate of income throughout the term of the contract, which typically is between six months and five years (but may be longer), provided that there is no credit event. CDS transactions may involve greater risks than if the portfolio had invested in the reference obligation directly. The CDS market in high yield securities is comparatively new and rapidly evolving compared to the CDS market for more seasoned and liquid investment-grade securities, creating the risk that the newer markets will be less liquid and it may be difficult to exit or enter into a particular transaction.

- *Credit Linked Note (“CLN”).* We may purchase CLNs from time to time when we are unable to access certain markets. CLNs are created through a Special Purpose Vehicles (SPV) which owns the reference obligation and issues a security with same attributes as the underlying security. CLNs are over the counter securities negotiated with a dealer. In the event the counterparty defaults, the security could become illiquid or suffer significant price depreciation or loss of principal as the CLN is a fully funded privately negotiated transaction. In the transaction, the dealer becomes the issuer and determines whether or not a risk event has occurred. Risk events can vary by dealer but are generally focused on credit events or settlement events. A credit event is generally triggered when the reference entity fails to pay or restructures its debt. Settlement events are generally triggered when changes in local laws or local market events prohibit the issuer from transacting in the reference security or currency. Following the determination of a risk event, the maturity date could be accelerated and the issuer will return value that is obtained from the highest bid in the payment currency. Under these circumstances, the value returned to holders could be zero.
- *Derivatives risk.* A small investment in derivatives could have a potentially large impact on the strategy’s performance. The use of derivatives involves risks different from, or possibly greater than, the risks associated with investing directly in the underlying assets. Derivatives can be highly volatile, illiquid and difficult to value, and there is the risk that changes in the value of a derivative held by the strategy will not correlate with the underlying instruments or the strategy’s other investments. Derivative instruments also involve the risk that a loss may be sustained as a result of the failure of the counterparty to the derivative instruments to make required payments or otherwise comply with the derivative instruments’ terms. Certain types of derivatives involve greater risks than the underlying obligations because, in addition to general market risks, they are subject to illiquidity risk, counterparty risk and credit risk. Additionally, some derivatives involve economic leverage, which could increase the volatility of these investments as they may fluctuate in value more than the underlying instrument. See also “Leverage risk.”
- *Emerging market risk.* Emerging markets tend to be more volatile and less liquid than the markets of more mature economies, and generally have less diverse and less mature economic structures and less stable political systems than those of developed countries. The securities of issuers located or doing substantial business in emerging markets are often subject to rapid and large changes in price. In particular, emerging markets may have relatively unstable governments, present the risk of sudden adverse government or regulatory action and even nationalization of businesses, restrictions on foreign ownership or prohibitions of repatriation of assets, and may have less protection of property rights than more developed countries. The economies of emerging market countries may be based predominantly on only a few industries and may be highly

vulnerable to changes in local or global trade conditions, and may suffer from extreme debt burdens or volatile inflation rates. Local securities markets may trade a small number of securities and may be unable to respond effectively to increases in trading volume, potentially making prompt liquidation of substantial holdings difficult. Transaction settlement and dividend collection procedures also may be less reliable in emerging markets than in developed markets.

- *Emerging market risk – fixed income.* The securities of issuers located in emerging markets tend to be more volatile and less liquid than securities of issuers located in the markets of more mature economies, and generally have less diverse and less mature economic structures and less stable political systems than those of developed countries. The fixed income securities of issuers located in emerging markets can be more volatile and less liquid than those of issuers in more mature economies. In addition, such securities often are considered to be below investment grade credit quality and predominantly speculative.
- *Foreign Currency Options.* We may take positions in options on foreign currencies for investment purposes or to hedge against the risk that foreign exchange rate fluctuations will affect the value of foreign securities such portfolios hold or intend to purchase. Transaction costs may be higher because the quantities of currencies underlying option contracts that such portfolios may enter represent odd lots in a market dominated by transactions between banks. There is no systematic reporting of last sale information for foreign currencies or any regulatory requirement that quotations be firm or revised on a timely basis. Quotation information is generally representative of very large transactions in the interbank market and may not reflect smaller transactions where rates may be less favorable. Option markets may be closed while round-the-clock interbank currency markets are open, and this can create price and rate discrepancies.
- *Forward Foreign Currency Exchange Transactions.* We may engage in spot transactions and use forward contracts for investment purposes and to protect against uncertainty in the level of future exchange rates. For example, these portfolios may use forward contracts in connection with existing portfolio positions to lock in the U.S. dollar value of those positions, to increase a portfolio's exposure to foreign currencies that may rise in value relative to the U.S. dollar or to shift the portfolio's exposure to foreign currency fluctuations from one country to another. The precise matching of the forward contract amounts and the value of the securities involved will not generally be possible because the future value of such securities in foreign currencies will change as a consequence of market movements in the value of those securities between the date the forward contract is entered into and the date it matures. Accordingly, it may be necessary for a portfolio to purchase additional foreign currency on the spot (that is, cash) market and bear the expense of such purchase if the market value of the security is less than the amount of foreign currency the portfolio is obligated to deliver and if a decision is made to sell the security and make delivery of the foreign currency. Conversely, it may be necessary to sell on the spot market some of the foreign currency received upon the sale of the portfolio security if its market value exceeds the amount of foreign currency the portfolio is obligated to deliver. Per current market convention, Standish (Singapore) typically does not employ ISDAs for foreign currency exchange transactions with maturities less than 3 months. In order to minimize risk, we roll these contracts monthly instead of

quarterly.

- *Foreign currency risk.* Investments in foreign currencies are subject to the risk that those currencies will decline in value relative to the U.S. dollar, or in the case of hedged positions, that the U.S. dollar will decline relative to the currency being hedged. Currency exchange rates may fluctuate significantly over short periods of time. A decline in the value of foreign currencies relative to the U.S. dollar will reduce the value of securities held by the strategy and denominated in those currencies. Foreign currencies are also subject to risks caused by inflation, interest rates, budget deficits and low savings rates, political factors and government controls.
- *Foreign government obligations and securities of supranational entities risk.* Investing in the sovereign debt of emerging market countries creates exposure to the direct or indirect consequences of political, social or economic changes in the countries that issue the securities or in which the issuers are located. The ability and willingness of sovereign obligors in emerging market countries or the governmental authorities that control repayment of their debt to pay principal and interest on such debt when due may depend on general economic and political conditions within the relevant country. Certain countries in which the strategy may invest have historically experienced, and may continue to experience, high rates of inflation, high interest rates and extreme poverty and unemployment. Some of these countries also characterized by political uncertainty or instability. Additional factors which may influence the ability or willingness to service debt include a country's cash flow situation, the availability of sufficient foreign exchange on the date a payment is due, the relative size of its debt service burden to the economy as a whole and its government's policy towards the International Monetary Fund, the International Bank for Reconstruction and Development and other international agencies. The ability of a foreign sovereign obligor to make timely payments on its external debt obligations also will be strongly influenced by the obligor's balance of payments, including export performance, its access to international credits and investments, fluctuations in interest rates and the extent of its foreign reserves. A governmental obligor may default on its obligations. Some sovereign obligors in emerging market countries have been among the world's largest debtors to commercial banks, other governments, international financial organizations and other financial institutions. These obligors, in the past, have experienced substantial difficulties in servicing their external debt obligations, which led to defaults on certain obligations and the restructuring of certain indebtedness.
- *Foreign investment risk.* Special risks associated with investments in foreign companies include exposure to currency fluctuations, less liquidity, less developed or less efficient trading markets, lack of comprehensive company information, political or economic instability, seizure or nationalization of assets, imposition of taxes or repatriation restrictions and differing auditing and legal standards. The securities of issuers located in emerging markets can be more volatile and less liquid than those of issuers in more mature economies.
- *Futures Contracts.* Futures contracts generally provide a high degree of liquidity and a low level of counterparty performance and settlement risk. While the use of futures contracts by a portfolio can amplify a gain, it can also amplify a loss. This loss can be substantially more money than the initial margin posted by the portfolio pursuant to the

contracts. There is no assurance of market liquidity for futures contracts, whether traded on an exchange or in the over-the-counter market and, as a result, there may be times where a portfolio would not be able to close a future investment position when it wanted to do so. Upon entering into a futures transaction, a portfolio will generally be required to deposit an initial margin payment with the futures commission merchant (the “futures broker”). The initial margin payment will be deposited with a portfolio’s custodian in an account registered in the futures broker’s name; however, the futures broker can gain access to that account only under specified conditions. As the future is marked-to-market to reflect changes in its market value, subsequent margin payments, called variation margin, will be paid to or by the futures broker on a daily basis. Prior to expiration of the future, if a portfolio elects to close out its position by taking an opposite position, a final determination of variation margin is made, additional cash is required to be paid by or released to the portfolio, and any loss or gain is realized for tax purposes. Position limits also apply to futures traded on an exchange. An exchange may order the liquidation of positions found to be in violation of those limits and may impose certain other sanctions. Initial margin is posted to a collateral pool which may be used to cover third-party liabilities in an event of default by a clearing broker or a major clearing broker’s client.

- *Government securities risk.* Not all obligations of the U.S. government’s agencies and instrumentalities are backed by the full faith and credit of the U.S. Treasury. Some obligations are backed only by the credit of the issuing agency or instrumentality, and in some cases there may be some risk of default by the issuer. Any guarantee by the U.S. government or its agencies or instrumentalities of a security held by the strategy does not apply to the market value of such security. A security backed by the U.S. Treasury or the full faith and credit of the United States is guaranteed only as to the timely payment of interest and principal when held to maturity. In addition, because many types of U.S. government securities trade actively outside the United States, their prices may rise and fall as changes in global economic conditions affect the demand for these securities.
- *High yield bond risk.* The strategy may invest to a limited extent in high yield bonds. High yield (“junk”) bonds involve greater credit risk, including the risk of default, than investment grade bonds, and are considered predominantly speculative with respect to the issuer’s ability to make principal and interest payments. The prices of high yield bonds can fall dramatically in response to bad news about the issuer or its industry, or the economy in general.
- *Inflation-indexed security risk.* Interest payments on inflation-indexed securities can be unpredictable and will vary as the principal and/or interest is periodically adjusted based on the rate of inflation. If the index measuring inflation falls, the interest payable on these securities will be reduced. The U.S. Treasury has guaranteed that in the event of a drop in prices, it would repay the par amount of its inflation-indexed securities. Inflation-indexed securities issued by corporations generally do not guarantee repayment of principal. Any increase in the principal amount of an inflation-indexed security will be considered taxable ordinary income, even though investors do not receive their principal until maturity. As a result, the strategy may be required to make annual distributions that exceed the cash the strategy received, which may cause the strategy to liquidate certain investments when it is not advantageous to do so. Also, if the principal value of an inflation-indexed security is adjusted downward due to deflation, amounts previously



distributed may be characterized in some circumstances as a return of capital.

- *Leverage risk.* The use of leverage, such as engaging in reverse repurchase agreements, lending portfolio securities, investing in inverse floaters, entering into short sales, the use of portfolio leverage or margin or entering into forwards, options or swaps contracts other than for hedging or replication purposes, may magnify the strategy's gains or losses. Adverse changes in the value or level of the underlying asset, reference rate or index of derivatives can result in a loss substantially greater than the amount invested. Certain derivatives have the potential for unlimited loss, regardless of the size of the initial investment.
- *Municipal securities risk.* Investments in municipal securities may be affected by a variety of factors in the cities, states and regions in which the strategy invests, as well as the municipal market as a whole. Special factors, such as legislative changes and local and business developments may adversely affect the yield and/or value of the strategy's investments in municipal securities. Other factors include the general conditions of the municipal securities market, the size of the particular offering, the maturity of the obligation and the rating of the issue. Changes in economic, business or political conditions relating to a particular municipal project, municipality, state or U.S. territory or possession in which the strategy invests may have an impact on the value of your investment. Puerto Rico, for example, is currently experiencing significant fiscal challenges, including persistent government deficits, underfunded public pensions, sizable debt service obligations and a high unemployment rate. As a result, many ratings agencies have downgraded a number of municipal bonds issued in Puerto Rico. If the economic situation in Puerto Rico persists or worsens, to the extent the strategy invests in municipal bonds issued in Puerto Rico, the volatility, credit quality and value of your investment could be adversely affected.
- *Non-diversification risk.* A strategy maybe non-diversified, which means that the strategy may invest a relatively high percentage of its assets in a limited number of issuers. Therefore, the strategy's performance may be more vulnerable to changes in the market value of a single issuer or group of issuers and more susceptible to risks associated with a single economic, political or regulatory occurrence than a diversified strategy.
- *Options.* Options positions may include both long positions, where a portfolio is the holder of put or call options, as well as short positions, where a portfolio is the seller (writer) of an option. Option techniques can involve a relatively higher level of risk. The expiration of unexercised long options effectively results in loss of the entire cost, or premium paid, for the option. Conversely, the writing of an uncovered put or call option can involve, similar to short-selling, a theoretically unlimited risk of an increase in a portfolio's cost of selling or purchasing the underlying securities in the event of exercise of the option.
- *Prepayment and extension risk.* When interest rates fall, the principal on mortgage-backed and certain asset-backed securities may be prepaid. The loss of higher yielding underlying mortgages and the reinvestment of proceeds at lower interest rates can reduce the strategy's potential price gain in response to falling interest rates, reduce the value of your investment. When interest rates rise, the effective duration of the strategy's

mortgage-related and other asset-backed securities may lengthen due to a drop in prepayments of the underlying mortgages or other assets. This is known as extension risk and would increase the strategy's sensitivity to rising interest rates and its potential for price declines.

- *Short sale risk.* Some strategies make short sales, which involves selling a security it does not own in anticipation that the security's price will decline. Short sales expose the strategy to the risk that it will be required to buy the security sold short (also known as "covering" the short position) at a time when the security has appreciated in value, thus resulting in a loss to the strategy. Short positions in stocks involve more risk than long positions in stocks because the maximum sustainable loss on a stock purchased is limited to the amount paid for the stock plus the transaction costs, whereas there is no maximum attainable price on the shorted stock. In theory, stocks sold short have unlimited risk. The strategy may not always be able to close out a short position at a particular time or at an acceptable price. The strategy may not always be able to borrow a security the strategy seeks to sell short at a particular time or at an acceptable price. Thus, there is a risk that the strategy may be unable to fully implement its investment strategy due to a lack of available stocks or for some other reason. It is possible that the market value of the securities the strategy holds in long positions will decline at the same time that the market value of the securities the strategy has sold short increases, thereby increasing the strategy's potential volatility.
- *Swap Agreements.* These transactions are entered into in an attempt to obtain a particular return when it is considered desirable to do so, possibly at a lower cost to a portfolio than if the portfolio had invested directly in an instrument that yielded that desired return. Swap agreements are two party contracts entered into primarily by institutional investors for periods ranging from a few weeks to more than one year. In a standard "swap" transaction, two parties agree to exchange the returns (or differentials in rates of return) earned or realized on particular predetermined investments or instruments, which may be adjusted for an interest factor. The gross returns to be exchanged or "swapped" between the parties are generally calculated with respect to a "notional amount," i.e., the return on or increase in value of a particular dollar amount invested at a particular interest rate, in a particular foreign currency, or in a "basket" of securities representing a particular index. Forms of swap agreements include interest rate caps, under which, in return for a premium, one party agrees to make payments to the other to the extent that interest rates exceed a specified rate, or "cap"; interest rate floors, under which, in return for a premium, one party agrees to make payments to the other to the extent that interest rates fall below a specified rate, or "floor"; and interest rate collars, under which a party sells a cap and purchases a floor or vice versa in an attempt to protect itself against interest rate movements exceeding given minimum or maximum levels. A swap option is a contract that gives a counterparty the right (but not the obligation) to enter into a new swap agreement or to shorten, extend, cancel or otherwise modify an existing swap agreement, at some designated future time on specified terms. Each Fund may write (sell) and purchase put and call swap options.
- *Trading Limitations.* For all securities, including options, listed on a public exchange, the exchange generally has the right to suspend or limit trading under certain circumstances. These suspensions or limits could render certain strategies difficult to execute or continue

and subject a portfolio to loss.

#### **Item 9. Disciplinary Information**

Standish (Singapore) is not a defendant in any of the complaints or actions described in the following paragraph.

The New York State Attorney General's Offices, the U.S. Attorney's Office for the Southern District of New York and certain other plaintiffs have filed civil complaints against The Bank of New York Mellon (the "Bank") and/or BNY Mellon. BNY Mellon is the parent company of the Bank and Standish (Singapore). These actions allege that the Bank and/or BNY Mellon improperly charged and reported prices for standing instruction foreign exchange ("FX") transactions executed in connection with custody services provided by the Bank. Standish (Singapore) was not a defendant to any of these actions. On March 19, 2015, BNY Mellon announced that it has resolved substantially all of the foreign exchange ("FX")-related actions currently pending against BNY Mellon, resulting in a total of \$714 million in settlement payments.

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

##### **BNY Mellon is a Global Financial Services Company:**

BNY Mellon is a global financial services company providing a comprehensive array of financial services (including asset management, wealth management, asset servicing, clearing and execution services, issuer services and treasury services) through a world-wide client focused team that enables institutions and individuals to manage and service their financial assets. BNY Mellon Investment Management is the umbrella designation for BNY Mellon's affiliated investment management firms and global distribution companies and is responsible, through various subsidiaries, for U.S. and non-U.S. retail, intermediary and institutional distribution of investment management and related services.

Standish (Singapore) may enter into transactions with unaffiliated counterparties or third party service providers who then use Standish (Singapore)'s affiliates to effect or complete such transactions. Services provided by such affiliates may include, for example, execution and clearance of trades, issuance or cancellation of depositary receipts, foreign exchange or other services not contemplated by Standish (Singapore). Such affiliates may receive compensation for providing these services. The decision to use Standish (Singapore)'s affiliate in these circumstances, however, is made by the unaffiliated counterparty or third party service provider. Further, Standish (Singapore) often is unaware that the counterparty has chosen to use Standish (Singapore)'s affiliate to provide such services.

BNY Mellon and/or its other affiliates may gather data from us about our investment activities, including information about holdings within client portfolios, which is required for regulatory filings to be made by us or BNY Mellon or other affiliates (e.g., reporting beneficial ownership of equity securities) or for other compliance, legal or risk management purposes, pursuant to policies and procedures of Standish (Singapore), BNY Mellon or other affiliates. This data is deemed confidential and procedures are followed to ensure that any information is utilized solely for the purposes intended.

## **BNY Mellon's Status as a Bank Holding Company**

BNY Mellon and its direct and indirect subsidiaries, including Standish (Singapore), are subject to certain U.S. banking laws, including the Bank Holding Company Act of 1956, as amended (the "BHCA"), and to regulation and supervision by the Board of Governors of the Federal Reserve System (the "Federal Reserve"). The BHCA (and other applicable banking laws, and their interpretation and administration by the appropriate regulatory agencies, including but not limited to the Federal Reserve) may restrict the transactions and relationships among BNY Mellon, its affiliates (including us) and our clients, and may restrict our investments, transactions and operations. For example, the BHCA regulations applicable to BNY Mellon and us may, among other things, restrict our ability to make certain investments or the size of certain investments, impose a maximum holding period on some or all of our investments, and restrict our ability to participate in the management and operations of the companies in which we invest. In addition, certain BHCA regulations may require aggregation of the positions owned, held or controlled by related entities. Thus, in certain circumstances, positions held by BNY Mellon and its affiliates (including us) for client and proprietary accounts may need to be aggregated and may be subject to a limitation on the amount of a position that may be held. These limitations may have an adverse effect on Standish (Singapore)'s ability to manage client investment portfolios. For example, depending on the percentage of a company that Standish (Singapore) and our affiliates (in the aggregate) control at any given time, the limits may (1) restrict Standish (Singapore)'s ability to invest in that company for certain clients and/or (2) require Standish (Singapore) to sell certain client holdings of that company at a time when it may be undesirable to take such action. Additionally, BNY Mellon may in the future, in its sole discretion and without notice, engage in activities impacting us in order to comply with the BHCA or other legal requirements applicable to (or reduce or eliminate the impact or applicability of any bank regulatory or other restrictions on) us and accounts managed by us and our affiliates.

## **BNY Mellon Incentive Compensation Plan**

BNY Mellon has adopted an incentive compensation program ("Program") designed to reward internal referrals of business and opportunities, and:

- 1) Help clients understand and gain access to the full range of products and services offered by BNY Mellon and its subsidiaries; and
- 2) Expand and develop client relationships.

The Program promotes BNY Mellon's corporate values of Client Focus, Trust, Teamwork and Outperformance by encouraging the cross-selling of BNY Mellon's broad array of services and products throughout the organization to better meet a current or prospective client's full range of needs for financial products and services, and to expand customer relationships. The Program seeks to financially reward (via bonus or referral fee) eligible employees who offer a business lead that results in a sale of certain affiliated products or services to existing clients and prospects. These bonuses and referral fees may be paid to us and our employees for referring business (services or products) to our affiliates, and our affiliates and their employees may receive bonuses and referral fees for referring business to us. The bonuses and referral fees may be based on the number of referrals made and/or the revenue generated by the referral. Certain

types of regulated entities, employees and referrals may be ineligible for the Program or subject to restrictions under applicable law or internal procedures governing the earning of such rewards. These referral fees and bonuses may create conflicts of interest for us and our employees because we have an incentive to encourage our clients to engage in transactions with our affiliates, based on the compensation that we will receive for these referrals, rather than our clients' needs.

### **Affiliated Service Providers**

In addition, to the extent permitted by law, placement agents and their respective affiliates may provide brokerage and certain other financial and securities services to us, our affiliates or related private funds. Such services, if any, will be provided at competitive rates. BNY Mellon is also affiliated with service providers, distributors and consultants that may provide services and may receive fees from BNY Mellon in connection with such services, which may incentivize such persons to distribute interests in a private fund or other BNY Mellon products.

Standish (Singapore) has entered into an agreement with its affiliate, BNY Mellon Asset Management Operations LLC ("BNYM AM Ops") to provide certain operational and systems support. BNYM AM Ops provides similar services to other affiliates of Standish (Singapore).

Standish (Singapore) may also engage in sub-advisory relationships with other BNY Mellon affiliated companies, including Standish (UK), Standish (US) or other affiliated companies under BNY Mellon.

### **Other Relationships**

In addition, various BNY Mellon personnel, including certain of our employees, may have board, advisory, or other relationships with issuers, distributors, consultants and others that may have investments in a private fund and/or related funds or that may recommend investments in a private fund or distribute interests in a private fund. To the extent permitted by applicable law, BNY Mellon and its affiliates, including Standish (Singapore) and its personnel, may make charitable contributions to institutions, including those that have relationships with investors or personnel of investors. As a result of the relationships and arrangements described in this paragraph, placement agents, consultants, distributors and other parties may have conflicts associated with their promotion of a private fund, or other dealings with a private fund, that create incentives for them to promote a private fund.

Some of our clients may retain consulting firms to assist them in selecting investment managers. Some consulting firms provide services to both those who hire investment managers and to investment management firms. We may pay to attend conferences sponsored by consulting firms and/or purchase services from consulting firms where we believe those services will be useful to us in operating our investment management business. We do not pay referral fees to consultants. However, our clients and prospective clients should be aware that consulting firms might have business relationships with investment management firms that they recommend to their clients.

BNY Mellon maintains, and we have adopted, a Code of Conduct that addresses these types of relationships and the potential conflicts of interest they may present, including the provision and receipt of gifts and entertainment.

Standish (Singapore), in its capacity as a nondiscretionary investment adviser, may also provide research reports to certain affiliates, including but not limited to Standish (US) and Standish (UK) for their use in fulfilling their investment management responsibilities to their clients, including reports and verbal updates covering securities which may also be held in client accounts managed by Standish (Singapore). Such reports do not include buy/sell/hold recommendations.

BNY Mellon, among several other leading investment management firms, has a minority equity interest in Luminex Trading and Analytics, LLC (“Luminex”), a registered broker-dealer under the Exchange Act, which was formed for the purpose of establishing and operating a “buy-side” owned and controlled electronic execution utility for trading securities (the “Alternative Trading System”). Transactions for clients for which we serve as adviser or sub-adviser may be executed through the Alternative Trading System. We and BNY Mellon disclaim that either is an affiliate of Luminex.

### **Affiliated Broker/Dealers and Investment Advisers**

We are affiliated with a significant number of advisers and broker/dealers. As a result, it is possible that a related person other than Standish (Singapore)’s officers and directors may, as agent without knowledge or intent, effect securities transactions for Standish (Singapore)’s clients for compensation. However, Standish (Singapore) does not participate in any transactions of this type, as Standish (Singapore) does not use affiliated broker-dealers in effecting securities transactions for its clients. Please see our Form ADV, Part 1A - Schedule D, Section 7.A. for a list of our affiliated advisers and broker/dealers. Several of our investment adviser affiliates have, collectively, a significant number of investment-related private funds for which a related person serves as sponsor, general partner or managing member (or equivalent), respectively. Please refer to the Form ADV, Part I – Schedule D, Section 7.B for each of our affiliated investment advisers for information regarding such firm’s private funds (if applicable) and such firm’s Form ADV, Part I – Schedule D, Section 7.A for information regarding related persons that serve in a sponsor, general partner or managing member capacity (if applicable).

We have broker selection policies in place that require our selection of a broker-dealer to be consistent with our duties of best execution, and subject to any client and regulatory proscriptions. Please see Item 12 for more information on our broker selection process.

Certain unaffiliated broker-dealers used by Standish (Singapore) to execute trades for its clients may in turn use a broker who is an affiliate of Standish (Singapore) to clear those trades. In such cases, the clearing broker receives a clearance fee negotiated and paid by the executing broker-dealer. The decision to use an affiliate of Standish (Singapore) in these circumstances is made by the unaffiliated executing broker-dealer, and Standish (Singapore) has no influence over whether a broker-dealer which it selects for execution of client trades clears through an affiliate of Standish (Singapore), or the financial arrangement between them. Further, Standish (Singapore) is often unaware that the executing broker-dealer has chosen to use an affiliate of Standish (Singapore) to clear its trades.

We may be prohibited or limited from effecting transactions because of rules in the marketplace, foreign laws or our own policies and procedures. In certain cases, we may face further

limitations because of aggregation issues due to our relationship with affiliated investment management firms. Please see Item 12 for an explanation of our Trade Aggregation Policies and Procedures.

### **Affiliated Underwriters**

Our broker-dealer affiliates occasionally act as underwriter or as a member of the underwriting syndicate for certain new issue securities, which may create an incentive for us to purchase these new issue securities, in an effort to provide additional fees to the broker-dealer affiliate.

BNY Mellon has established a policy regarding purchases of securities in an offering in which an affiliate acts as an underwriter or as a member of the underwriting syndicate. In compliance with applicable banking, securities and ERISA regulations, we may purchase on behalf of our clients securities in an offering in which an affiliate is acting as an underwriter or as a member of the underwriting syndicate during the syndication period, so long as requirements of the policy, including written approval and compliance with certain investment criteria are met. The policy prohibits direct purchases from an affiliate for any fiduciary account under any circumstances.

BNY Mellon is frequently engaged to serve as trustee, indenture trustee, custodian, paying agent or other similar capacities for the issuers of corporate bonds and other fixed income securities, including asset-backed and/or mortgage-backed securities. Because the receipt of compensation for such services by its affiliate may be affected by the success and/or size of a primary offering of such securities, Standish (Singapore) may be prohibited from purchasing such securities in the primary offering for its ERISA clients in order to avoid a violation of ERISA's prohibited transaction rules. Standish (Singapore), through its parent company, has received an exemption from the U.S. Department of Labor in order to provide relief from these restrictions for its ERISA clients.

### **Affiliated Banking Institutions**

BNY Mellon engages in trust and investment business through various banking institutions, including the Bank and BNY Mellon, National Association. These affiliated banking institutions may provide certain services to us, such as recordkeeping, accounting, marketing services, and referrals of clients. We may provide the affiliated banking institutions with sales and marketing materials regarding our investment management services that may be distributed under the name of certain marketing "umbrella designations" such as BNY Mellon, BNY Mellon Wealth Management, BNY Mellon IM, and BNY Mellon IM EMEA.

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

We have adopted a Code of Ethics that is made up of two parts:

- 1) BNY Mellon Code of Conduct and Interpretive Guidance (the "BNY Mellon Code"); and
- 2) BNY Mellon Personal Securities Trading Policy (the "PSTP").

The BNY Mellon Code of Conduct provides to employees the framework and sets the expectations for business conduct. In addition, it clarifies our responsibilities to clients, suppliers, government officials, competitors and the communities we serve and outlines important legal and ethical issues:

- 1) Conflicts of Interest: gifts, entertainment and other payments; personal conflicts of interest; fiduciary appointments and bequests; outside affiliations, outside employment and certain outside compensation issues; and disclosure of relationships and transactions;
- 2) Proper Use and Care of Information and Proper Recordkeeping: proprietary information and intellectual property; data integrity and corporate information; use of e-mail and internet; accurate accounting and internal controls; use of non-public or “inside” information; talking to the media; and document retention;
- 3) Dealing with Customers, Prospects, Suppliers, and Competitors: business relationships with customers, prospects, suppliers, and competitors; business decisions; exploitation of relationships and use of the company’s name, letterhead or facilities; knowing your customer; and recognizing and reporting illegal, suspicious, or unusual activities;
- 4) Doing Business With the Government: complying with government contracts, government contracting laws and regulations; integrity in the sales and marketing process; truthful, accurate statements and recordkeeping; safeguarding government information and property; cooperating with government audits and investigations; and meeting employment and labor obligations;
- 5) Personal Finances: personal investments; personal brokerage accounts; political campaign contributions; contributions to not-for-profit entities; and individual employees’ regulatory requirements; and
- 6) Compliance with the Law: among other matters illegal or criminal activities; investigations; and protection of company assets.

The PSTP is designed to reinforce our reputation for integrity by avoiding even the appearance of impropriety and to ensure compliance with applicable laws in the conduct of our business. The PSTP sets forth procedures and limitations that govern the personal securities transactions of our employees in accounts held in their own names as well as accounts in which they have indirect ownership. We, and our related persons and employees, may, under certain circumstances and consistent with the PSTP, purchase or sell for their own accounts securities that we also recommend to clients.

The PSTP imposes different requirements and limitations on employees based on the nature of their business activities for Standish (Singapore). Each of our employees is classified as one of the following:

- 1) Investment Employee (“IE”): IEs are employees who, as part of their responsibilities, have access to nonpublic information regarding any advisory



client's purchase or sale of securities or nonpublic information regarding the portfolio holdings of any Proprietary Account, or are involved in making securities recommendations to advisory clients or have access to such recommendations before they are public.

- 2) Access Decision Maker ("ADM"): ADMs (generally portfolio managers and research analysts who make recommendations or decisions regarding the purchase or sale of equity, convertible debt and non-investment grade debt securities for mutual funds and other managed accounts) are subject to the most extensive procedures under the PSTP.
- 3) Other Employee ("OE"): Our employees are considered OEs if they are not an IE or ADM.

#### PSTP Overview:

- 1) IEs and ADMs are subject to preclearance and personal securities reporting requirements, with respect to discretionary accounts in which they have direct or indirect ownership;
- 2) Transaction reporting is not required for non-discretionary accounts, transactions in exempt securities or certain other transactions that are not deemed to present any potential conflicts of interest;
- 3) Preclearance is not required for transactions involving certain exempt securities (such as open-end investment company securities that are not Proprietary Funds or money market funds and short-term instruments, non-financial commodities; transactions in non-discretionary accounts (approved accounts over which the employee has no direct or indirect influence or control over the investment decision-making process); transactions done pursuant to automatic investment plans; and certain other transactions detailed in the PSTP which are either involuntary or deemed not to present any potential conflict of interest;
- 4) We have a "Preclearance Compliance Officer" who maintains a "restricted list" of companies whose securities are subject to trading restrictions. This list is used by the Preclearance Compliance Officer to determine whether or not to grant trading authorization;
- 5) The acquisition of any securities in a private placement requires prior written approvals;
- 6) With respect to transactions involving BNYMC securities, all employees are also prohibited from engaging in short sales, purchases on margin, option transactions (other than employee option plans), and short-term trading (*i.e.*, purchasing and selling, or selling and purchasing BNYMC securities within any 60 calendar day period);
- 7) With respect to non-BNYMC securities purchasing and selling, or selling and

purchasing the same or equivalent security within 60 calendar days is discouraged, and any profits must be disgorged; and

- 8) No covered employee should knowingly participate in or facilitate late trading, market timing or any other activity with respect to any fund in violation of applicable law or the provisions of such fund's disclosure documents.

A copy of our Code of Ethics will be provided upon request.

### **Interest in Client Transactions:**

Note that while each of the following types of transactions present conflicts of interest for us, as described below, we manage our accounts consistent with applicable law, and we follow procedures that are reasonably designed to treat our clients fairly and to prevent any client or group of clients from being systematically favored or disadvantaged.

#### Principal Transactions

"Principal Transactions" are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys any security from or sells any security to any client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated pooled investment vehicle and another client account. When an investment adviser engages in a principal transaction, it may have an incentive to favor its own interests over the interests of its client.

It is our policy that neither we nor any of our officers or directors shall, as principal, buy securities for us or themselves from, or sell securities we or they own to, any client. However, we are part of a large diversified financial organization, which includes banks and broker-dealers. As a result, it is possible that a related person other than our officers and directors, may, as principal, purchase securities from, or sell securities to our clients. Standish (Singapore) does not engage in principal transactions.

#### Cross Transactions

From time to time securities to be sold on behalf of a client may be suitable for purchase by another client. In such instances, if we determine in good faith that the transaction is in the best interest of each client, then we may arrange for the securities to be transferred between the client accounts at an independently determined fair market value (a "cross trade"). Cross trades present conflicts of interest, as there may be an incentive for us to favor one client to the cross trade over the other. For example, if one client account pays performance fees to Standish (Singapore), while the other client account pays only asset-based fees, we would have a financial incentive to favor the performance fee paying account in the cross-trade. However, note that cross trades are subject to Advisers Act restrictions, and will only be undertaken by us as permitted under applicable law. We do not receive fees or commissions when making these trades.

In a limited number of client accounts, Standish (Singapore) may from time to time deem securities to be sold on behalf of one client account suitable for purchase on behalf of another

client account, in particular odd-lot purchases and those securities not generally available in the market. If Standish (Singapore) determines in good faith that the transaction is in the best interests of each such client and is consistent with its duty to seek best execution, Standish (Singapore) may perform an internal cross-trade of such securities at an independently determined fair market value. Neither Standish (Singapore) nor any broker-dealer affiliated with Standish (Singapore) will receive any commission or transaction-based compensation directly or indirectly in connection with such cross-trade.

#### Transactions in Same Securities

We or our affiliates may invest in the same securities that we or our affiliates recommend to clients. When we or an affiliate currently holds for our own benefit the same securities as a client, we could be viewed as having a potential conflict of interest. For example, we or our affiliate could be seen as harming the performance of the client's account for our own benefit if we short-sell the securities in our own account while holding the same securities long in the client account, causing the market value of the securities to move lower.

#### Interests in Recommended Securities/Products

We or our affiliates may recommend securities to clients, or buy or sell securities for client accounts, at or about the same time that we or one of our affiliates buys or sells the same securities for our (or the affiliate's) own account. This practice may give rise to a variety of potential conflicts of interest, particularly with respect to aggregating, allocating and sequencing securities being purchased on both our (or the affiliate's) behalf and our clients' behalf. For example, we could have an incentive to cause a client or clients to participate in an offering because we desire to participate in the offering on our own behalf, and would otherwise be unable to meet the minimum purchase requirements. Likewise, we could have an incentive to cause our clients to participate in an offering to increase our overall allocation of securities in that offering, or to increase our ability to participate in future offerings by the same underwriter or issuer. On the other hand, we could have an incentive to cause our clients to minimize their participation in an offering that has limited availability so that we do not have to share a proportionately greater amount of the offering to the client. Allocations of aggregated trades might likewise raise a potential conflict of interest as we may have an incentive to allocate securities that are expected to increase in value to ourselves. See Item 12 for a discussion of our brokerage and allocations practices and policies. Further, a potential conflict of interest could be viewed as arising if a transaction in our own account closely precedes a transaction in related securities in a client account, such as when a subsequent purchase by a client account increases the value of securities that were previously purchased for ourselves. Standish (Singapore)'s compliance personnel review monthly performance dispersion reports for any outliers to assess potential harm caused to client accounts by trades in our own accounts.

#### Investments by Related Persons and Employees

We and our existing and future employees, our board members, and our affiliates and their employees may from time to time invest in products managed by us. We have developed policies and procedures to address any conflicts of interest created by such investment. We are part of a large diversified financial organization that includes banks and broker-dealers. As a

result, it is possible that a related person may, as principal, purchase securities or sell securities for itself that we also recommend to clients. We do permit our employees to invest for their own account within the guidelines and restrictions of the Code of Ethics, as described above. For more information, please see “Interests in Recommended Securities/Products” in this Item 11, and “Affiliated Underwriters” in Item 10 with regard to purchases of securities in an offering where an affiliate acts as underwriter or a member of the underwriting syndicate.

## **Item 12. Brokerage Practices**

**Broker Selection:** In most cases we have the authority to direct securities transactions on behalf of our clients to broker-dealers we select. In doing so, we seek best execution of such transactions. When seeking best execution, we consider the full range and quality of a broker-dealer’s services including, among other things, commission rates, a broker’s trading expertise, reputation and integrity, facilities, financial services offered, willingness and ability to commit capital, access to under-written offerings and secondary markets, reliability both in executing trades and keeping records, fairness in resolving disputes, value provided, execution capability, financial responsibility and responsiveness to Standish (Singapore).

**Soft Dollars:** The term “soft dollars” is commonly understood to refer to arrangements where an investment adviser uses client brokerage commissions to pay for research or other services used by the investment adviser. Section 28(e) of the Securities Exchange Act of 1934 provides a “safe harbor” that permits investment advisers to enter into soft dollar arrangements if the investment adviser determines in good faith that the amount of the commission is reasonable in relation to the value of the brokerage and research services provided.

As a matter of policy, we do not utilize “soft dollar” arrangements, but do receive research of the type that is customarily provided by brokers or dealers to their institutional customers, which may be useful to us in serving the accounts that we advise. Although our receipt of such research services does not reduce our normal independent research activities, it may enable us to avoid the additional expenses that we might otherwise incur if we were to attempt to independently develop comparable information.

It is possible that some of our affiliates whom we appoint as sub-advisers may have a different policy regarding the use of soft dollars.

**Other Brokerage Practices Conflicts of Interest:** The following brokerage practices may lead to an actual or potential conflict of interest when selecting broker-dealers to execute client trades:

- 1) receiving client referrals from a broker-dealer;
- 2) acting on a client’s direction to use a particular broker-dealer; and
- 3) using affiliated broker-dealers.

**Brokerage for Client Referrals:** We do not direct securities transactions to any broker-dealer in exchange for referral of investment management clients.

Directed Brokerage: We may accept direction from a client to place trades for a client's account with a particular broker-dealer. At times, a client will instruct us to execute certain trades in their portfolio with a specified broker-dealer. In the event that such direction occurs, we may have limited capability to negotiate prices or obtain volume discounts. In addition, in meeting the client's brokerage directive, we may not be able to aggregate these transactions with transactions we effects for other accounts we manages and we may delay placing the orders for directed accounts until our orders for other accounts have been completed. As a result, the net price paid or received by the directed account may be different than the price paid or received by our other accounts, as we may be unable to achieve the most favorable execution. Directing brokerage may cost clients more money.

Use of Affiliate Broker-Dealers: We do not use affiliate broker-dealers for trade execution.

Trade Aggregation:

When a trade is placed for more than one advisory client, Standish (Singapore) may, in its discretion, aggregate orders or block trades when Standish (Singapore) believes this will result in more favorable execution. All Standish (Singapore)'s clients may participate in block trades to the extent it is consistent with the accounts' investment policy, guidelines and restrictions.

When trades are aggregated, each account within the block will receive the same price.

Trade Allocation:

If a block order is filled in its entirety, the order will be allocated in accordance with the pre-trade allocation specified. If a block order is partially filled, the order is allocated among the accounts specified on the trade ticket on a pro rata basis in proportion to the intended pre-trade allocation. When trades are aggregated, each account within the block will receive the same price and execution.

Any deviation from the pro rata allocation policy must be for good cause. Deviations are usually due to a cash flow in an account, minimum denomination increments or de minimis allocations.

Trade Error Procedures:

Trade errors occur when intended securities transactions are incorrectly executed or processed, or not executed or processed when or as intended. Standish (Singapore) takes an active role in all error corrections, and requires that all errors must be promptly corrected. Standish (Singapore)'s policy is that we may not use other client accounts, a client's brokerage account, or any proprietary account of Standish (Singapore) or of its affiliates to correct a trade error. In addition, Standish (Singapore) requires that no client be disadvantaged as the result of a trade error we have caused.

Pursuant to this policy, clients retain any gain associated with a trade error caused by Standish (Singapore), and are reimbursed for any losses resulting from a trade error caused by Standish (Singapore). Gains from one error may not be netted against losses created by another error; netting is permitted only if gains and losses are attributable to the same investment decision and if the account involved is not subject to ERISA.

Standish (Singapore)'s goal is to avoid errors by taking preventive measures. After errors have been corrected, Standish (Singapore)'s practice is to examine its order management and trading procedures and implement any revisions needed to limit the likelihood of recurrence.

Standish (Singapore) is responsible for its own errors and not the errors of other persons, including third party brokers and custodians, unless otherwise expressly agreed to by Standish (Singapore). Standish (Singapore), in its sole discretion, may assist, to the extent possible, with the appropriate correction of errors committed by third parties.

### **Item 13. Review of Accounts**

Portfolio Managers review their portfolios with the CIO and Deputy CIOs monthly. The review covers absolute and relative to benchmark positioning and changes over the course of the previous month. The review also covers performance of each portfolio, attribution of performance, and reasons for any performance dispersion between like strategies. The Portfolio Manager for the strategy provides documentation on those topics and minutes are taken. These meetings are open for any other investment team members and client service personnel.

The Standish (Singapore) strategy team meets regularly to go over current issues, potential strategy shifts, and market changes. Portfolio Managers and Portfolio Analysts for each investment team review all trades for all accounts daily and meet formally on a weekly basis. The Portfolio Manager and Portfolio Analyst for each team reviews daily the fixed income account summary data for each account relating to quality, diversification, duration, and yield curve distribution, which shall be consistent with the current investment policy of Standish (Singapore). Such reviews take into account, but are not limited to, computer-generated reports that identify targets, and any dispersion from targets, on sectors, curve, duration, etc. The Portfolio Managers also review performance on a daily basis, for daily, month-to-date, and year-to-date performance. Portfolio Managers review each trade prior to allocation, keeping in mind the above targets as well. On a regular basis, Portfolio Managers review holdings and themes with other Portfolio Managers and their investment teams. The teams undertake an in-depth, more detailed review when certain rank levels are triggered and during other circumstances, as required.

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

Unaffiliated Solicitors and Placement Agents. We may hire third parties to solicit new investment advisory clients. The commissions or fees, if any, payable to such solicitors (also referred to as placement agents) with respect to solicitation of investments with us will be paid solely by us. Clients will not pay fees for these solicitations. These solicitors have an incentive for the client to hire us because we will pay the solicitor for the referral. The prospect of receiving solicitation/placement fees may provide such placement agents and/or their salespersons with an incentive to favor these sales over the sale of interests of other investments with respect to which the placement agent does not receive such compensation, or receives lower levels of compensation. In addition, to the extent permitted by law, certain placement agents and

their respective affiliates may provide brokerage and certain other financial and securities services to us or our affiliates. Such services, if any, will be provided at competitive rates.

Some of Standish (Singapore)'s clients may retain consulting firms to assist them in selecting investment managers. Some consulting firms provide services to both those who hire investment managers and to investment management firms. Standish (Singapore) may pay to attend conferences sponsored by consulting firms and/or purchase services from consulting firms where it believes those services will be useful to it in operating its investment management business. Standish (Singapore) does not pay referral fees to consultants. However, Standish (Singapore)'s clients and prospective clients should be aware that consulting firms might have business relationships with investment management firms that they recommend to their clients.

From time to time, Standish (Singapore) may enter into agreements with third parties, providing cash compensation to solicitors who secure clients for Standish (Singapore). These agreements require that the solicitor meet the disclosure and other requirements of Rule 206(4)-3 under the Investment Advisers Act, and are in compliance with the requirement that each client subject to a referral arrangement receive a copy of the referral agreement prior to or at the time of entering into an agreement with Standish (Singapore). They generally provide either for compensation equal to a specified percentage of fees received by Standish (Singapore) from clients referred by the solicitor, or for fixed compensation payable monthly or quarterly.

Affiliated Solicitors and Placement Agents. We may pay referral fees to our affiliates (and/or their employees) for referrals that result in additional investment management business. Please see the discussion of affiliated placement agents in Item 10, above.

Our ultimate parent, BNY Mellon, has organized its lines of business into two groups: Investment Management and Investment Services (collectively "Groups"). We are part of the Investment Management Group. A sales force has been created to focus on developing new customer relationships and developing and coordinating large complex existing customer relationships within those Groups.

In certain circumstances, Investment Management sales representatives are paid fees for sales. The fees may be based on revenues and may be a one-time payment or paid out over a number of years. In addition, our sales representatives and sales representatives of our affiliates within the Investment Management Group are paid for intra-Group referrals to Group counterparts. Those fees are based on the first year's revenue for the Group counterpart.

Sales of any alternative investment products (such as private funds) may be made through a broker-dealer affiliate. Only registered representatives of such broker-dealer receive compensation for sales of alternative investments.

We may pay a fee to an affiliate (or directly to employees of the affiliate) that has a pre-existing relationship with a new client in the Investment Services Group. The fees may be based on revenues and may provide for a one-time payment or payments over a number of years.

We and our affiliates also participate in the BNY Mellon Incentive Compensation Plan, which presents certain conflicts of interest, all as described in Item 10, above.

## **Item 15. Custody**

Rule 206(4)-2 under the Advisers Act (the “Custody Rule”) defines “custody” to include a situation in which an adviser or a related person holds, directly or indirectly, client funds or securities or has any authority to obtain possession of them, in connection with advisory services provided by the adviser.

For purposes of the Custody Rule, we are deemed to have “custody” of certain client assets because we may have the ability to deduct fees from client custodial accounts; client funds or securities are held by a related person of Standish (Singapore); or we may serve as general partner/ managing member/trustee (or similar capacity) of investment funds organized as limited partnership/limited liability company/trust.

Generally, an adviser that is deemed to have custody of a client’s funds or securities, among other things, is required to arrange for an annual independent verification of such funds or securities in accordance with the Custody Rule (the “Surprise Exam Requirement”). However, the Custody Rule contains the following exceptions from the Surprise Exam Requirement:

- 1) Ability to Deduct Fees: advisers deemed to have custody of client assets solely because of their ability to deduct fees from client accounts are not subject to the Surprise Exam Requirement. Standish (Singapore) will rely upon this exemption to avoid a surprise audit for certain clients.
- 2) Related Person & Operational Independence: advisers deemed to have custody of client assets solely because a related person holds client assets will not be subject to the Surprise Exam Requirement, provided the adviser and the related person are “operationally independent.” Standish (Singapore) will rely upon this exemption to avoid a surprise audit for certain clients. We have determined that our operations are independent from those of the related person holding client assets.
- 3) Pooled Investment Vehicles: advisers who are deemed to have custody of the assets of clients formed as pooled investment vehicles may comply with the rule if the pool has audited financial statements that are prepared in accordance with generally accepted accounting principles and such statements are distributed to investors in the pool within 120 days (or 180 days for funds of funds) of the end of the fiscal year. Standish (Singapore) advises certain pooled investment vehicles and intends to cause such pooled investment vehicles to receive and distribute audited financial statements to their investors.

Separate account clients: you will receive from your bank, broker-dealer or other qualified custodian an account statement, at least quarterly, identifying the amount of funds and each security in the account at the end of the period and setting forth all transactions in the account during that period. Please review these statements carefully. You will also receive account statements separately from us. You are strongly urged to compare the account statements you receive from us with those that you receive from your qualified custodian.



#### **Item 16. Investment Discretion**

We typically accept discretionary investment authority over client assets, and clients must grant this discretionary authority to us in writing via a contract, and/or through an appointment to become the investment adviser of a private fund. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives and guidelines for the particular client account.

Clients must deliver their investment guidelines and restrictions to us in writing, and we will adhere to such guidelines and restrictions when making investment decisions.

#### **Item 17. Voting Client Securities**

Standish (Singapore) does not accept authority to vote client securities in connection with any of the services described in this Brochure.

#### **Item 18. Financial Information**

In certain circumstances, registered investment advisers are required to provide you with financial information or disclosures about their financial condition in this Item. Standish (Singapore) has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has never been the subject of a bankruptcy proceeding.