

Neuberger Berman Breton Hill ULC

Client Brochure

March 30, 2020

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This Brochure provides information about the qualifications and business practices of Neuberger Berman Breton Hill ULC ("**Breton Hill**"). If you have any questions about the contents of this Brochure, please contact us at 212-476-9000 or by email at: NBBH.ADVINFO@nb.com.

Breton Hill is registered as an investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "**Advisers Act**"). Breton Hill is subject to the Advisers Act rules and regulations adopted by the U.S. Securities and Exchange Commission ("**SEC**"). Registration as an investment adviser does not imply any particular level of skill or training.

Additional information about Breton Hill is also available on the SEC's website at www.adviserinfo.sec.gov.

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The information in this Brochure has not been approved or verified by the SEC or by any state securities authority.

Item 2: Material Changes

This Brochure dated March 30, 2020 has been prepared in accordance with rules adopted by the U.S. Securities and Exchange Commission. This Brochure will be updated at least annually and we may further provide other ongoing disclosure information about material changes as necessary. This Brochure was last updated on March 29, 2019.

This Brochure has been updated to include information relating to certain discretionary investment advisory services available through sub-advisory separate accounts.

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Item 4: Advisory Business

A. Description of the Firm

Breton Hill is a company existing under the laws of British Columbia, Canada and has its principal place of business in Toronto, Ontario, Canada. Breton Hill was formed in March 2010 and commenced operations as an investment adviser in August 2011.

Previously known as Breton Hill Capital Ltd., Breton Hill adopted its present name on November 1, 2017 after an entity indirectly controlled by Neuberger Berman Group LLC (“NBG”) purchased all of the issued and outstanding common shares of Breton Hill.

Breton Hill is registered with the U.S. Commodity Futures Trading Commission (“CFTC”) as a commodity trading advisor (“CTA”) and a commodity pool operator (“CPO”), and is a member of the U.S. National Futures Association (“NFA”). In Canada, Breton Hill’s primary regulator is the Ontario Securities Commission, with which Breton Hill is registered as a portfolio manager, investment fund manager, exempt market dealer and commodity trading manager. Breton Hill is also registered as a portfolio manager and exempt market dealer in Alberta, British Columbia, Manitoba, New Brunswick, Nova Scotia, Québec and Saskatchewan, and is also registered as an investment fund manager in Québec.

Breton Hill specializes in a systematic, process-driven form of investment management, where investment decisions are generally made by performing quantitative analysis. Breton Hill employs mathematical strategies that rely on patterns inferred from historical prices and other data in evaluating prospective investments.

Breton Hill provides advisory services on a discretionary basis to its clients, which include: (a) separately managed accounts, (b) private investment funds, (c) a Canadian manager of exchange-traded funds (“ETFs”), mutual funds and close-ended funds (together, the “**Canadian Funds**”), (d) affiliated non-U.S. funds registered under the securities laws of offshore jurisdictions (“**Non-U.S. Registered Funds**”) and (e) affiliated and unaffiliated investment advisers.

With respect to the Canadian Funds, Breton Hill acts as a sub-adviser to Purpose Investments Inc. (“**Purpose Investments**”), an investment advisory firm located in Toronto, Ontario, Canada. The Canadian Funds are offered primarily to Canadian residents. Breton Hill is a minority owner of Purpose Investments and certain officers of Breton Hill have an indirect economic interest in Purpose Investments.

Indirect Ownership Background – Neuberger Berman Group

NBG is a holding company the subsidiaries of which (collectively referred to herein as the “**Firm**” or “**Neuberger Berman**”) provide a broad range of global investment solutions – equity, fixed income, multi-asset class and alternatives – to institutions and individuals through products

including separately managed accounts, mutual funds and private investment vehicles. As of December 31, 2019, Neuberger Berman had approximately \$356 billion under management.¹

NBG's voting equity is wholly owned by NBSH Acquisition, LLC ("**NBSH**"). NBSH is owned by current and former employees, directors, consultants and, in certain instances, their permitted transferees. Each employee who owns an equity stake in NBSH has entered into an agreement that provides strong incentives to continue with the organization, and has a number of restrictive covenants in the event the employee leaves the Firm.

Neuberger Berman is headquartered in New York, New York. As of December 31, 2019, Neuberger Berman had approximately 2,197 employees in 35 cities around the world.

Breton Hill's investment management services are further discussed below.

B. Types of Advisory Services

Breton Hill currently provides the following types of advisory services:

Separately Managed Accounts

Breton Hill provides ongoing discretionary investment management services to institutional clients based on the individual investment goals, objectives, time horizon, and risk tolerance of each client.

Breton Hill provides its advisory services through separately managed accounts for institutional clients ("**Separate Accounts**").

Breton Hill typically provides investment services that may include, among other things, determination as to: (a) which securities to buy or sell; (b) the total amount of securities to buy or sell; (c) the broker or dealer through which securities are bought or sold; (d) the commission rates at which securities transactions are effected; and (e) the prices at which securities are to be bought or sold, which may include dealer spreads or mark-ups and transaction costs.

Private Investment Vehicles

Breton Hill provides discretionary investment management services to privately offered investment vehicles ("**Private Funds**").

The Private Funds are generally organized or "sponsored" by Breton Hill or an affiliate of Breton Hill. For certain Private Funds, employees of Breton Hill may also serve as officers, directors or other persons authorized to facilitate the operation of the Private Funds.

¹ Firm assets under management figures reflect the collective assets for the various affiliated investment advisers that are subsidiaries of NBG.

The Private Funds are not registered under the Investment Company Act, and their shares or interests, as applicable, are not registered under the Securities Act, and are instead sold to qualified investors who meet certain criteria on a private placement basis. The Private Funds managed by Breton Hill require that investors be (1)(a) “accredited investors” as defined under Regulation D under the Securities Act (“**Regulation D**”) and (b) qualified purchasers as defined in Section 2(a)(51)(A) of the Investment Company Act or “knowledgeable employees” under Rule 3c-5 of the Investment Company Act or (2) not “U.S. Persons” as defined under Regulation S of the Securities Act. To the extent the Private Funds are offered into Canada, investors are required to qualify as “permitted clients” as defined in Canadian National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (“NI 31-103”). Accordingly, the Private Funds are not publicly offered in the United States or Canada. Private Funds may or may not be continuously offered.

Clients should refer to each Private Fund’s offering memorandum, private placement memorandum and/or constitutional documents, as applicable (the “Offering Documents”) for additional information. For a list of certain of the Private Funds, please refer to Section 7.B(1) and (2) of Schedule D of Part 1 of Breton Hill’s Form ADV which is publicly available at www.adviserinfo.sec.gov.

Sub-Advisory Services

Breton Hill acts as sub-adviser for a variety of products, including the Non-U.S. Registered Funds and the Canadian Funds (collectively, the “**Sub-Advised Funds**”). Breton Hill also acts as sub-adviser to certain affiliated and unaffiliated investment advisers providing discretionary investment management services to institutional or high net worth clients through separate accounts (the “**Sub-Advised Separate Accounts**”).

The Separate Accounts, Private Funds, Sub-Advised Funds and Sub-Advised Separate Accounts are collectively referred to herein as the “**Client Accounts**.”

C. Client Tailored Services and Client Tailored Restrictions

Breton Hill enters into discretionary investment management agreements with its Separate Account clients. See Item 16. Clients may impose restrictions on investing in certain securities or other assets in accordance with their particular needs. However, Breton Hill may decide not to accommodate investment restrictions deemed unduly burdensome or materially incompatible with Breton Hill’s investment approach.

Breton Hill enters into discretionary investment management agreements with Private Funds or sub-advisory agreements with investment advisers to Private Funds. Services are performed in accordance with the terms of each such agreement. Each Private Fund may impose investment restrictions as it deems appropriate. Such investment restrictions are typically set forth in the Offering Documents for each Private Fund.

In the case of the Sub-Advised Funds and Sub-Advised Separate Accounts, Breton Hill enters into a sub-advisory agreement with the investment adviser to each Sub-Advised Fund or Sub-Advised

Separate Account. The terms and conditions of these arrangements may vary, and any contact between Breton Hill and the ultimate client will typically take place through the applicable investment adviser. Each Sub-Advised Fund or Sub-Advised Separate Account is managed in accordance with the investment objectives, policies and restrictions set forth in the sub-advisory agreement between Breton Hill and the investment adviser or investment management agreement between the investment adviser and the ultimate client, as the case may be.

The investment guidelines of the Separate Accounts, Sub-Advised Funds and Sub-Advised Separate Accounts may restrict the ability of Breton Hill to invest in Private Funds for such accounts.

The performance of Client Accounts that are subject to restrictions imposed by clients will vary from the account performance of unrestricted accounts that Breton Hill manages with the same or a similar investment strategy.

D. Wrap and Related Programs

None.

E. Assets under Management

<u>Discretionary Amounts:</u>	<u>Non-Discretionary Amounts:</u>	<u>Date Calculated:</u>
\$5,404,187,904	\$0	12/31/2019

Item 5: Fees and Compensation

A. Fee Schedule

I. Separate Accounts

Breton Hill's fee schedules for Separate Accounts generally range up to 1.00% per annum of net assets under management. With respect to Separate Accounts managed in the Systematic Large Cap Value strategy, the following fee schedule would apply: 0.65% of the first \$25 million of market value; 0.50% of the next \$25 million; 0.40% of the next \$50 million; 0.30% of the next \$100 million; and 0.25% of the balance. With respect to Separate Accounts managed in the Systematic Global Equity strategy, the following fee schedule would apply: 0.65% of the first \$25 million of market value; 0.55% of the next \$25 million; 0.45% of the next \$150 million; and 0.40% of the balance.

Fees depend, in part, on the size of the investment and the investment objective of that particular Separate Account. See Item 7 for minimum account size requirements.

Management fees for Separate Accounts are generally based on a percentage of the market value of the assets held in the Separate Account. Breton Hill negotiates the Separate Account management fee for each Separate Account based on a variety of factors including the account size and investment objectives. There may be differences in fees paid by certain clients based on account inception dates.

The nature and scope of the advice provided to each Separate Account is tailored to each specific investor; therefore, the management fee for each Separate Account is negotiable.

Breton Hill may, in its sole discretion, reduce or waive fees or apply a different fee schedule for any of its Separate Account clients, including employees and affiliates of the Firm and clients who invest in new strategies at the initial launch.

Breton Hill does not receive any performance-based compensation with respect to Separate Accounts.

II. Private Funds

Pursuant to each of Breton Hill's investment management agreements with each Private Fund, Breton Hill receives a management fee up to 0.90% per annum that generally is based on the net asset value ("**NAV**") of each investor's account in the Private Fund.

In some instances, Breton Hill will also receive a performance fee ("**Performance Fee**") (which may be in the form of an incentive fee/allocation). The Performance Fee is generally based on a share of capital gains on, or capital appreciation of, the assets of the relevant Private Fund.

The management fee for Private Funds may be negotiable under certain circumstances. The performance-based compensation is generally not negotiable; however Breton Hill or a Private Fund's general partner or managing member customarily retains discretion to waive or reduce the management fees and Performance Fees as to all or any of the investors in a Private Fund, including affiliates and employees (and relatives of such persons) of the Firm.

Investors should refer to the Offering Documents for the relevant Private Fund for further information with respect to fees.

III. Sub-Advised Funds and Sub-Advised Separate Accounts

The adviser to each Sub-Advised Fund and Sub-Advised Separate Account has entered into a sub-advisory agreement with Breton Hill. Pursuant to each sub-advisory agreement, Breton Hill receives an advisory fee at a specified rate equal to a percentage of the fund's average daily net assets, with respect to the Sub-Advised Funds or a separate account's net assets under management, with respect to Sub-Advised Separate Accounts. Breton Hill's fees with respect to its services as sub-adviser to each Sub-Advised Fund and Sub-Advised Separate Account are generally individually negotiated (and, as such, will vary), and are set forth in its sub-advisory agreement with each fund/investment adviser. Breton Hill anticipates that certain sub-advisory strategies, including its tax-managed strategies, may be offered utilizing a standard fee schedule; however, such fee schedules are not yet available. Clients should reach out to their Breton Hill representative for additional information.

B. Payment Method

Calculation and Payment of Fees:

Separate Accounts— For Separate Accounts, advisory fees are generally accrued and paid either in arrears or in advance on a monthly or quarterly basis at the beginning of each calendar month or quarter, based on the market value of the client's account on the last business day of the previous calendar month or quarter.

During a month or other fee calculation period, if Breton Hill begins managing an account, or an account is terminated, the fee charged for that period will be pro-rated based on the portion of the period that Breton Hill actually managed the account. If management fees are charged in advance, the Separate Account client will receive a pro-rated refund of any pre-paid fees if the investment management agreement is terminated before the end of the billing period.

Private Funds— Generally, management fees are charged monthly or semi-monthly and Performance Fees are charged at, or payable as of, the end of a Private Fund's fiscal year or upon withdrawal by an investor from a Private Fund. The management fees and performance fees are generally deducted directly from each Private Fund investor's account. Investors should refer to the applicable Offering Documents with respect to the calculation and payment of fees.

Sub-Advised Funds and Sub-Advised Separate Accounts— Breton Hill's sub-advisory fees are paid by each investment adviser to Breton Hill in accordance with the sub-advisory agreement entered

into by Breton Hill and such adviser. Breton Hill's sub-advisory fees are negotiated with the Sub-Advised Fund's or Sub-Advised Separate Account's investment adviser.

Valuation for Fee Calculation Purposes:

Separate Accounts— In general, management fees for Separate Accounts, are based on a valuation of assets by the client's custodian. When the client and Breton Hill agree to use Breton Hill's valuation of the assets for fee purposes, Breton Hill may use independent third-party pricing services or broker quotes to value assets. In certain cases where a third-party price is not obtainable, Breton Hill may use its fair valuation procedures to determine a value for the investment. As Breton Hill's compensation is generally based on the net asset value of an account, a conflict arises when Breton Hill, rather than a third party, is valuing the assets held in an account. To mitigate that conflict, Breton Hill has adopted methodologies designed to result in securities valuations that in its judgment reflect the market prices of the securities at such time. In those instances, there is no guarantee that the market prices will be obtained. Management fees may be based on the market value of the assets as of the trade date or the settlement date. In certain cases, securities that may only be priced by Breton Hill are not included in the value of Client Accounts for billing purposes. In determining the market value of assets, the total market value of securities purchased on margin is included. This may result in higher advisory fees than would otherwise be charged to the client if no margin debit existed in the account. In addition, in determining the market value of assets, cash and cash equivalents are generally included and accrued dividends and interest may be included.

Private Funds— The market values of the assets of the Private Funds are generally obtained from various third-party quotation services, or where such quotation services are not available, are based upon fair-value as determined by the general partner or managing member, or its delegate, which could be Breton Hill. Most Private Funds retain a third-party administrator to provide various administrative services to the Private Funds. These services include calculating each Private Fund's NAV, as well as performing other administrative services on behalf of each Private Fund. Investors should refer to the applicable fund's Offering Documents for more information with respect to the valuation of Private Fund assets.

Sub-Advised Funds— Fees are calculated as a percentage of the net assets of each fund. The value of each fund's net assets is determined in accordance with each fund's valuation policies and procedures adopted by the fund's Board of Trustees/Directors. Those policies are generally described in the relevant fund's Offering Documents.

Sub-Advised Separate Accounts – In general, management fees are calculated based on a valuation of account assets by an end-client's custodian. When the client and the investment adviser agree to use the investment adviser's valuation of the assets for fee purposes, such valuation is determined in accordance with the investment adviser's valuation policies.

C. Other Fees and Expenses

In addition to the management fee and Performance Fee, if any, paid to Breton Hill, clients pay other fees and expenses associated with their accounts and investments. Such fees and expenses may include the following:

Custodial Fees and Expenses—Separate Account clients who elect to have account assets held in the custody of a bank, trust company, broker-dealer or other custodian selected by the client will bear any custodial fees and expenses associated with its account. Physical custody of the assets of a Private Fund will be maintained with a custodian selected by Breton Hill or an affiliate, in its exclusive discretion. Each Private Fund ordinarily bears its custodial fees and expenses. To the extent that cash is held in those accounts and fees are charged by the custodian, including any fees chargeable for short-term reinvestment of cash, the fees so incurred by the client will be in addition to the fee payable to Breton Hill on the overall value of the account. See Item 15.

Transaction-related Fees and Expenses— Client Accounts generally must bear all transaction-related fees and expenses, including brokerage commissions, concessions, dealer mark-ups and spreads for transactions effected for the account. See also Item 5.E, Item 11.B.3 and Item 12.A.

Additional Fees for Other Services — Certain Breton Hill clients may also be clients of Breton Hill's affiliates. Those clients may receive investment management services from Breton Hill and may receive other services from affiliates. Breton Hill and the affiliate will each charge their usual and customary fees to the client. This may result in total costs to the client that are higher than the client would have paid had it obtained all services from either Breton Hill or its affiliate alone or from other unrelated brokers and investment advisers.

Other Fees and Expenses for Sub-Advised Funds— In addition to the advisory fees described in this Item 5 above and administration fees described below, investors in the Sub-Advised Funds will incur other fees and expenses associated with their investments in the funds. Those expenses will generally include brokerage and other transaction-related costs and the fees and expenses of other service providers to these funds such as custodians, transfer agents, administrators, valuation agents, directors, auditors and counsel.

Other Fees and Expenses for Private Funds— In addition to the other fees and expenses described in this Item 5.C, Private Funds ordinarily bear all organizational and operating expenses and in some cases, offering expenses. Those expenses may entail administrative fees and expenses; reporting expenses of the Private Fund or Breton Hill or its affiliates in connection with its operation of the Fund; insurance expenses; audit and tax preparation and other tax-related fees and expenses; legal and accounting fees; consulting fees; due diligence expenses; expenses associated with mailing and reproducing the Offering Documents, any amendments thereto and other communications with investors; and expenses relating to the organization, and the operation and winding-up of any special purpose vehicles. Private Funds also will generally pay any extraordinary and non-recurring expenses (including any extraordinary legal or litigation expenses and indemnification costs) and taxes, if any. Investors should refer to the applicable Offering Documents for more information with respect to the specific fees and expenses payable

by a Private Fund. In certain instances, Breton Hill may reimburse the Private Fund for certain expenses.

Other Fees and Expenses (General) — Clients will bear all other transaction and transfer related fees and expenses. Each of these additional costs may be charged to the client's account or reflected in the price paid or received for a given security or other asset. Those charges include (i) transfer taxes and any other applicable taxes; (ii) auction fees; (iii) exchange or similar fees (such as for American Depositary Receipts (“**ADRs**”)) charged by third parties, including issuers or depositories; (iv) fees charged in connection with short sale transactions; (v) margin interest and fees for any securities that are deemed hard to borrow in connection with long/short strategies; (vi) electronic fund, wire, and other account transfer fees; (vii) commission charges for transactions in ordinary securities; (viii) dealer spreads, mark-ups or other charges by executing broker-dealers (including on fixed-income, non-U.S. securities, ADRs or other over-the-counter transactions) or spreads; (ix) odd-lot differentials fees/expenses; (x) switch fees (i.e., fees to exchange ETF shares for mutual fund shares or mutual fund shares for ETF shares), and (xi) any fees or other charges imposed or mandated by law.

Comparable Services— Breton Hill believes that the charges and fees offered for its investment management services are competitive with those of alternative programs available through other firms offering a similar range of services; however, lower fees for comparable services may be available from other sources.

D. Prepayment of Fees and Refunds

Separate Accounts— Management fees for Separate Accounts are typically charged monthly or quarterly, in arrears or in advance, as provided in the contract between Breton Hill and the client. Separate Account clients who pay fees in advance are entitled to pro-rata reimbursement of that portion of the monthly or quarterly investment management fee paid for any portion of the month or quarter remaining as of the date the investment advisory relationship terminates; provided, however that clients may be responsible for any transaction costs, as applicable, related to the unwinding of transactions in connection with the termination of the Separate Account.

Private Funds— Investors should refer to the applicable Offering Documents for information regarding payment of fees, withdrawal and refund of fees (if applicable).

Sub-Advised Funds and Sub-Advised Separate Accounts — In the event Breton Hill is terminated as sub-adviser, any prepaid fees will be refunded in accordance with the sub-advisory agreement.

E. Sales Compensation

Breton Hill's products and strategies are marketed by the Firm's central salesforce (the members of the Firm's central salesforce, the “NB Salespersons”), which also markets the products and strategies of Breton Hill's affiliates. Certain NB Salespersons are registered representatives of Neuberger Berman BD LLC (“**NBB**”), an affiliate of Breton Hill and a registered investment adviser and broker-dealer and member of the Financial Industry Regulatory Authority (“**FINRA**”).

Subject to applicable law, certain NB Salespersons are entitled to a sales commission or other compensation if Breton Hill is engaged to provide investment management services for a separate account or sub-advised account client they have introduced to Breton Hill. NB Salespersons are subject to the terms and conditions of the applicable Firm sales compensation plan and contingent compensation program. Generally, NB Salespersons are compensated, directly or through compensation pools, based, in large part, on the revenues generated by Breton Hill and its affiliates with respect to the clients they cover. Certain NB Salespersons receive a fixed draw rather than commissions and are also eligible for special payouts when assets under management reach certain targets.

Given that the NB Salespersons may market a wide range of products offered by Breton Hill and its affiliates with differing sales compensation, which can differ by product or strategy, or by the client or financial intermediary to which the salesperson is selling, the NB Salespersons may have an incentive to promote or recommend certain products over others based on the compensation to be received and not on the specific requirements or investment objectives of the client. Specifically, as the compensation for NB Salespersons is generally revenue-based, this creates an incentive for NB Salespersons to increase the amount of assets invested with Breton Hill and its affiliates. Where an NB Salesperson receives a fixed draw and is eligible for special payouts upon hitting certain targets, the NB Salesperson has an incentive to take actions to hit those targets. To increase the amount of assets invested with Breton Hill and its affiliates (whether to increase revenue (and therefore compensation) or to hit certain targets), NB Salespersons have an incentive to promote or recommend that clients or prospective clients invest more of their money with Breton Hill and its affiliates, including by transferring assets from other managers to Breton Hill for Breton Hill to manage. Similarly, NB Salespersons also have an incentive to promote or recommend trading on margin and investing in overlay strategies. Both of those actions would increase the assets managed by Breton Hill and, accordingly, the revenue generated from the client, but meanwhile, increase the amount of money that the client stands to lose. In addition, because NB Salespersons are compensated based on the revenues generated by Breton Hill and its affiliates with respect to its clients, this creates an incentive for NB Salespersons to promote or recommend products and strategies that generate more revenue for Breton Hill and its affiliates, including strategies and products that have higher fees and proprietary strategies and products over non-proprietary strategies and products.

The Firm and its subsidiaries train their employees, including NB Salespersons, regarding suitability and other regulatory standards of conduct in connection with sales of securities and strategies involving securities to investors, which Breton Hill believes mitigates this potential conflict. NB salespersons are also generally required to undergo product specific training for all products that they market.

From time to time, NB Salespersons also market the advisory products and services of Breton Hill for which the NB Salesperson does not receive any direct compensation. Certain Firm employees who are not NB Salespersons may be eligible to earn an account referral bonus for referring a client to Breton Hill.

Breton Hill utilizes an affiliated placement agent in offering Private Funds to investors. Breton Hill's affiliated placement agent, NBBD, is registered as a broker-dealer with the SEC and is a

FINRA member. NBBD may receive a portion of Breton Hill's management fee or Performance Fee with respect to shares or interests placed by such placement agent. See Item 10.C.1.

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

Performance Fees are fees that are based on a share of the distributions or (realized or unrealized) capital gains or capital appreciation of the assets of an account. Examples of Performance Fee structures include:

- an incentive fee where the fee is calculated as a percentage of a fund's profits, usually taking into consideration both realized and unrealized profits (sometimes referred to as incentive allocation or carried interest);
- an allocation based on the net cash proceeds attributable to the investments;
- a high water mark where the manager receives a Performance Fee only on increases in net asset value of a fund in excess of the highest net asset value previously achieved; and
- hurdle rates where the manager does not charge a Performance Fee until the fund's annualized performance or distributions made to investors exceeds a benchmark rate, such as T-bill yield, London Interbank Offered Rate ("**LIBOR**") or a fixed percentage

Breton Hill charges Performance Fees in connection with certain of its Private Funds. It does not charge Performance Fees with respect to its Separate Accounts, Sub-Advised Funds and Sub-Advised Separate Accounts.

To the extent that Breton Hill and its portfolio managers manage accounts that charge only management fees as well as accounts that charge both management fees and Performance Fees, Breton Hill or its portfolio managers or salespersons may have a conflict of interest in that an account with a Performance Fee will offer the potential for higher profitability when compared to an account with only a management fee. Performance Fee arrangements may create an incentive for Breton Hill or its portfolio managers or salespersons to recommend or make investments that may be riskier or more speculative than those that would be recommended or made under a different fee arrangement. Performance Fee arrangements may also create an incentive to favor higher fee-paying accounts over other accounts in the devotion of time, resources and allocation of investment opportunities. While Performance Fee arrangements can align the interests of Breton Hill and its portfolio managers with those of the clients, in situations where Performance Fees are paid when an investment is realized, a conflict exists because Breton Hill and its portfolio managers can effectively determine when they are paid. It is possible that, in order to receive the Performance Fee at a certain time, Breton Hill or its portfolio managers will realize an investment other than at maximum value.

To manage those potential conflicts, Breton Hill has adopted a number of compliance policies and procedures, including (i) the Neuberger Berman Code of Ethics (see Item 11), and (ii) the Breton Hill Compliance Manual. Breton Hill does not consider fee structures in allocating investment opportunities. See also Item 11.D.6.

Item 7: Types of Clients

Breton Hill provides investment advisory and sub-advisory services to institutional clients, including charitable organizations, corporations, other business entities, unregistered investment vehicles and affiliated and unaffiliated investment advisers. Breton Hill also serves as a sub-adviser to non-U.S.-domiciled clients, including non-U.S. investment companies not subject to the Investment Company Act.

Breton Hill manages customized Separate Accounts that are designed to meet the specific risk and return goals, liquidity restraints, factor sensitivity targets and other requirements of its clients. These Separate Accounts generally have a minimum account size of \$25million.

Breton Hill may lower an account minimum at its discretion.

Private Funds— In general, investors in Private Funds must be (1)(a) “accredited investors” under Regulation D under the Securities Act, and (b) “qualified purchasers” under Section 2(a)(51)(A) of the Investment Company Act or “knowledgeable employees” under Rule 3c-5 of the Investment Company Act or (2) not “U.S. Persons” as defined under Regulation S of the Securities Act. In addition, investors subject to Canadian securities laws must qualify as “permitted clients” as defined in Canadian National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. For those funds that charge a Performance Fee, investors must be eligible to enter into a Performance Fee arrangement under the Advisers Act.

The minimum investment required by an investor varies depending on the Private Fund and in each case is subject to waiver by Breton Hill or the Private Fund’s general partner, managing member or similar entity. Investors should review the Offering Documents for each applicable Private Fund for further information with respect to minimum requirements for investment.

Sub-Advised Funds and Sub-Advised Separate Accounts— Minimum account requirements for Sub-Advised Funds and Sub-Advised Separate Accounts are generally established by the intermediary investment adviser.

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

A. Methods of Analyses

Investment Analysis

Breton Hill utilizes a variety of methods and strategies to make investment decisions and recommendations. Breton Hill is focused on liquid and transparent markets - primarily equities, fixed income (including interest rate futures), currencies and derivatives, including commodities. Breton Hill applies both qualitative and quantitative analysis to each market, and may also employ a social and corporate governance (“ESG”) analysis. Qualitative analysis focuses on short-term risk and reward evaluations made by portfolio managers, who can assess current events and how they may interact with trends or return drivers of securities and other financial instruments held by Breton Hill’s clients. ESG analysis involves the analysis of ESG factors and their implications on valuation, risk and sustainable growth, with a view towards socially responsive investing.

Breton Hill uses quantitative systems in three key areas of its investment process:

1. Screening for securities: Breton Hill has created systems to screen for securities that exhibit persistent long-term sources of return.
2. Identifying technical trends: Breton Hill searches for medium-term technical trends, and may take positions with favorable momentum. It has created systems that are designed to identify trends.
3. Monitoring risk: Breton Hill has risk systems that generate warning alerts as well as recommended risk management actions.

No method of securities analysis can guarantee a particular investment result or outcome and the use of investment tools cannot and does not guarantee investment performance. The methods of analysis utilized by Breton Hill involve the inherent risk that any valuations, pricing inefficiencies, or other opportunities identified may not materialize or have the anticipated impact on the price of a security. Prices of securities may rise, decline, underperform or outperform regardless of the method of analysis used to identify securities. Each method of analysis relies in varying degrees on information furnished from third-party and publicly available sources. This presents the risk that methods of analysis may be compromised by inaccurate, incomplete, false, biased or misleading information. Security prices may be impacted by various factors independent of the methodology used to select securities. For example, a security price may be influenced by the overall movement of the market, rather than any specific company or economic factors. In addition, certain methods of analysis, such as the use of quantitative/investment models, involve the use of mathematical models that are based upon various assumptions. Assumptions used for modeling purposes may prove incorrect, unreasonable or incomplete.

Sources of Information

In conducting its investment analysis, Breton Hill utilizes a broad spectrum of information, including:

- annual reports, prospectuses and filings with the SEC or with non-U.S. regulators
- charts, statistical material and analyses
- discussions and meetings with research analysts from Breton Hill's affiliates or third parties
- such other material as is appropriate under the particular circumstances
- financial publications, and industry and trade journals
- issuer press releases, presentations and interviews (in person or by telephone)
- newspapers, magazines and websites
- personal assessment of the financial consequences of world events derived from general information
- rating services
- research materials prepared by internal staff of Breton Hill's affiliates or third parties

Breton Hill may also rely on the research and portfolio management of its affiliated investment advisers. See Item 10.C.3.

With respect to Private Funds, Breton Hill evaluates investments based on some of the information listed above and a variety of other factors as described in the Offering Documents for each Private Fund.

For each Sub-Advised Fund, Breton Hill identifies and selects investments in accordance with the investment objectives, policies and restrictions set forth in the applicable sub-advisory agreement.

B. Investment Strategies

Below is a summary of Breton Hill's investment strategies. Client portfolios generally may include customized investment features that may impact the specific investment strategy or strategies implemented for a particular client, including the allocation within a portfolio to equity or fixed income securities. As financial markets and products evolve, Breton Hill may invest in other securities or instruments, whether currently existing or developed in the future, when consistent with client guidelines, objectives and policies and applicable law.

Subject to firm-wide policies on suitability and conflicts of interest and compliance with securities laws and regulations, the purchase and sale of securities and other financial instruments for Client Accounts is based upon the judgment of the individual portfolio manager or group supervising the particular account.

Certain material risks associated with these strategies are set forth in Item 8.C. This is a summary only. Clients should not rely solely on the descriptions provided below. The principal investment strategy for each Private Fund is more particularly described in the Private Fund's Offering

Documents and the principal investment strategy for each Sub-Advised Fund is more particularly described in the fund's Offering Documents. Prospective investors should carefully read the applicable Offering Documents and consult with their own counsel and advisers as to all matters concerning an investment in any fund.

Separate Accounts – Breton Hill manages portfolios focused on liquid and transparent markets, primarily equities, fixed income (including interest rates futures) and currencies, customized for the client's chosen benchmark, return objectives, risk appetite, tax position, and subject to other client-specific constraints.

Private Funds – For certain of its Private Funds Breton Hill seeks to capture exposure to certain alternative risk premia or “factors” associated with different asset classes (each a “**Factor**”). The Portfolio Managers select Factors for each asset class based on expectations that a particular Factor will provide a persistent source of returns with low correlation to traditional long-only equity and fixed income markets. Factors include, but are not limited to, value, momentum, quality, income/carry, curve, low risk and volatility:

Value: The Value Factor seeks to buy assets that are identified as “cheap” and sell those that are identified as “expensive,” in an effort to capture the tendency that “cheap” assets tend to outperform relatively “expensive” assets over time.

Momentum: The Momentum Factor seeks to buy assets that have performed relatively well over those that have underperformed in the recent past, seizing on the tendency that “winners” will continue to outperform “losers” in the near future.

Quality: The Quality Factor seeks assets with strong fundamentals, in an effort to capture the tendency that such assets tend to outperform in volatile markets.

Income/Carry: The Income Factor seeks high quality assets with higher yield than those with lower yield, in an effort to capture the tendency for higher-yielding assets to provide higher total return than lower-yielding assets.

Curve: The Curve Factor measures the slope of the futures term structure in an effort to capitalize on yield differences as positions converge to spot prices. Securities with higher roll yield or “curve” tend to outperform those with lower roll yield.

Low Risk: The Low Risk Factor aims to capture the tendency for low risk assets to outperform higher risk assets over the long-term. The low risk factor is characterized by corroborating idiosyncratic (volatility) and market (beta) measures of risk.

Volatility: The Volatility Factor seeks to use derivatives, such as options and futures, to capture the volatility risk premia across different asset classes.

Sub-Advised Funds and Sub-Advised Separate Accounts – Breton Hill implements rules-based investment methodologies appropriate for the investment objective of each individual sub-advised account. For the Sub-Advised Funds and Sub-Advised Separate Accounts, investments

may include equities, currencies, commodities, bonds, futures and options, depending on the specific fund or account.

Breton Hill employs tax-efficient trading methodologies in certain strategies offered through Separate Accounts and Sub-Advised Separate Accounts. These tax-managed strategies seek to add tax alpha above the benchmark by deferring taxes and harvesting tax losses by selling a security that has lost value in order to offset capital gains on an investor's tax return. In order to preserve a "harvested" loss in the U.S., Breton Hill will temporarily restrict a security from repurchase for over 30 days in order to avoid a violation of the wash-sale rule.

C. Material Risks

Investments in securities and other financial instruments involve risk of loss that investors must be prepared to bear.

The following is a summary of the principal risks associated with the investment strategies employed by Breton Hill, as discussed in Item 8.B. This is a summary only and not every strategy may invest in each type of security or other asset discussed below nor will all accounts be subject to all the risks below. Each client should review the investment strategy associated with its particular account and should contact its client representative for more information about the strategies and risks present in the account. Private Fund investors should review the applicable Offering Documents for further information relating to the strategies and risks associated with the particular fund. Investors in Sub-Advised Funds should also look to the applicable fund's Offering Documents and other fund offering documentation for further information on the risks associated with the particular fund.

General Risks Across All Strategies

The following is a summary of material risks that may apply to Breton Hill's various investment strategies. Please note that certain risks, other than *Risk of Loss*, may not apply to all Breton Hill strategies or apply to a material degree.

Risk of Loss. Clients should understand that all investment strategies and the investments made pursuant to such strategies involve risk of loss, including the potential loss of the entire investment in the Client Accounts, which clients should be prepared to bear. The investment performance and the success of any investment strategy or particular investment can never be predicted or guaranteed, and the value of a client's investments will fluctuate due to market conditions and other factors. The investment decisions made and the actions taken for Client Accounts will be subject to various market, liquidity, currency, economic, political and other risks, and will not necessarily be profitable and may lose value. Past performance of Client Accounts is not indicative of future performance.

The risks listed below are listed in alphabetical order and not in order of importance. In addition to the risks listed here, there may be additional material risks associated with the types of products in which a Client Account invests. Clients should refer to the prospectus or other applicable

offering documents of those particular products for a discussion of applicable risk factors for that particular investment.

- **Absence of Regulatory Oversight for Private Funds.** Private Funds may not be registered as investment companies under the Investment Company Act. To the extent they are not registered, investors in such funds will not have the benefit of the protection afforded by the Investment Company Act to investors in registered investment companies (which, among other protections, require investment companies to have a majority of disinterested directors, require securities held in custody at all times to be individually segregated from the securities of any other person and marked to clearly identify such securities as the property of such investment company, and regulate the relationship between the adviser and the investment company).
- **Asset Allocation Risk.** The asset classes in which a Client Account seeks investment exposure can perform differently from each other at any given time (as well as over the long term), so a Client Account will be affected by its allocation among equity securities, debt securities and cash equivalent securities. If a Client Account favors exposure to an asset class during a period when that asset class underperforms other asset classes, performance may suffer.
- **Bankruptcy of a Custodian or Broker.** Assets of a Client Account held by a custodian or broker may be held in the name of the custodian or broker in a securities depository, clearing agency or omnibus customer account of such custodian or broker. To the extent that assets are held in the United States by a custodian in a segregated account or by a broker in a customer account, such assets may be entitled to certain protections from the claims of creditors of the custodian or broker. However, a Client Account with assets held in a segregated account by a custodian may experience delays and expense in receiving a distribution of such assets in the case of a bankruptcy, receivership or other insolvency proceeding of such custodian. Assets held by brokers in a customer account are entitled to certain protections from the claims of creditors of the broker but may not have the same level of protection applicable to segregated accounts held by a non-broker custodian and thus may not be sufficient to satisfy the full amount of customer claims. Assets held by non-U.S. brokers or custodians may not be subject to the same regulations regarding the segregation of customer assets from the assets of the broker or custodian, or from assets held on behalf of other customers of the broker or custodian, and accordingly assets held by a non-U.S. broker or custodian may not be protected from the claims of creditors of the broker or custodian to the same extent as assets held by a U.S. broker or custodian.
- **Commodity Risk.** A Client Account with investments in physical commodity-linked derivative instruments may be subject to greater volatility than an account with investments in traditional securities. The value of physical commodity-linked derivative instruments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, embargoes, tariffs and international economic, political and regulatory developments. To the extent that a Client Account may

concentrate assets in a particular sector of the commodities market (such as oil, metal or agricultural products), it may be more susceptible to risks associated with those sectors.

- **Complex Tax Structures of Private Funds.** Private Funds may involve complex tax structures and there may be delays in distributing important tax information to its investors.
- **Concentration Risk.** A strategy that concentrates its investments in a particular sector of the market (such as the utilities or financial services sectors) or a specific geographic area (such as a country or state) may be affected by events that adversely affect that sector or area, and the value of a Client Account using such strategy may fluctuate more than that of a less concentrated Client Account.
- **Counterparty Risk.** To the extent that a Client Account enters into transactions on a principal-to-principal basis, the Client Account is subject to a range of counterparty risks, including the credit risk of its counterparty (i.e., counterparty default), the risk of the counterparty delaying the return of or losing collateral relating to the transaction, or the bankruptcy of the counterparty.
- **Currency Risk.** Currency fluctuations could negatively impact investment gains or add to investment losses. The value of Client Accounts invested in currencies may rise and fall due to exchange rate fluctuations in respect of the relevant currencies. Adverse movements in currency exchange rates can result in a decrease in return and a loss of capital. The investments may be hedged utilizing foreign currency forwards, foreign currency swaps, foreign currency futures, options on foreign currency and other currency related instruments. However, currency hedging transactions, while potentially reducing the currency risks to which a Client Account would otherwise be exposed, involve certain other risks, including the risk of a default by a counterparty. Where a Client Account engages in foreign exchange transactions which alter the currency exposure characteristics of its investments, the performance of such Client Account may be strongly influenced by movements in exchange rates as currency positions held by the Client Account may not correspond with the securities positions held. Where a Client Account enters into “cross hedging” transactions (e.g., utilizing currency different than the currency in which the security being hedged is denominated), the Client Account will be exposed to the risk that changes in the value of the currency used to hedge may not correlate with changes in the value of the currency in which the securities are denominated, which could result in losses in both the hedging transaction and the Client Account securities.
- **Dependence on Breton Hill.** The performance of a Client Account depends on the skill of Breton Hill and its portfolio manager(s) in making appropriate investment decisions. Any Client Account’s success depends upon Breton Hill’s ability to develop and implement investment strategies and to apply investment techniques and risk analyses that achieve the account’s investment objectives. Subjective decisions made by Breton Hill may cause the account to incur losses or to miss profit opportunities on which it may otherwise have capitalized. The use of a single advisor applying generally similar trading programs could mean the lack of diversification and consequently, higher risk.

- **Derivatives Risk.** Derivatives are financial contracts whose value depend on, or are derived from, the value of an underlying asset, reference or index. In implementing certain of its investment strategies, Breton Hill may use derivatives, such as futures, options on futures, forward contracts and swaps, as part of a strategy designed to reduce exposure to other risks or to take a position in an underlying asset. Derivatives may involve risks different from, or greater than, those associated with more traditional investments. Derivatives can be highly complex, can create investment leverage and may be highly volatile, which could result in the strategy losing more than the amount it invests. Derivatives may be difficult to value and highly illiquid, and Breton Hill may not be able to close out or sell a derivative position at a particular time or at an anticipated price. Breton Hill is not required to engage in derivative transactions, even when doing so would be beneficial to the Client Account.

Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “**Dodd-Frank Act**”) provided for a sweeping overhaul of the regulation of privately negotiated derivatives. The U.S. Commodity Futures Trading Commission (“**CFTC**”) has been granted broad regulatory authority over “swaps,” which term has been defined in the Dodd-Frank Act and related CFTC rules to include derivatives. Title VII may affect a Client Account’s ability to enter into derivative transactions, may increase the costs of entering into such transactions, or may result in Client Accounts entering into such transactions on less favorable terms than prior to the effectiveness of the Dodd-Frank Act.

In addition, Breton Hill may take advantage of opportunities with respect to derivative instruments that are not currently contemplated or available for use, but that may be developed, to the extent such opportunities are both consistent with the Client Account’s investment objectives and guidelines and legally permissible. Special risks may apply to such instruments that cannot be determined until such instruments are developed or invested in by the Client Account.

Derivative Counterparty Risk. Derivatives are subject to counterparty risk, which is the risk that the other party to the derivative contract will fail to make required payments or otherwise to comply with the terms of the contract. This risk is generally regarded as greater in privately negotiated, over the counter (“**OTC**”) transactions, in which the counterparty is a single bank or broker-dealer, than in cleared transaction, in which the counterparty is a clearing organization comprised of many bank and broker-dealer members, but some level of counterparty risk exists in all derivative transactions.

If a counterparty becomes bankrupt or otherwise fails to perform its obligations under a derivative contract due to financial difficulties, the Client Account could lose any gains that have accrued to it in the transaction and could miss investment opportunities or be required to hold investments it would prefer to sell, resulting in losses for the Client Account. If the counterparty defaults, a Client Account will have contractual remedies, but there can be no assurance that the counterparty will be able to meet its contractual obligations or that the Client Account will be able to enforce its rights. For example, the Client Account may be delayed or limited in enforcing its rights against any margin or collateral posted by the counterparty, which may result in the value of that collateral

becoming insufficient. Also, because OTC derivatives transactions are individually negotiated with a specific counterparty, a Client Account is subject to the risk that a counterparty may interpret contractual terms (*e.g.*, the amount payable to or by the Client Account upon a default or other early termination) in a manner adverse to the Client Account. The cost and unpredictability of the legal proceedings required to enforce a Client Account's contractual rights may lead the Client Account to decide not to pursue its claims against the counterparty.

Counterparty risk may be greater for derivatives with longer maturities where events may intervene that prevent required payments from being made. Counterparty risk also may be greater when a Client Account has concentrated its derivatives with a single or small group of counterparties. To the extent a Client Account has significant exposure to a single counterparty, this risk may be particularly pronounced for the Client Account. The Client Account, therefore, assumes the risk that it may be unable to obtain payments that Breton Hill believes are owed under an OTC derivatives contract or that those payments may be delayed or made only after the Client Account has incurred the costs of litigation. In addition, counterparty risk is pronounced during unusually adverse market conditions and is particularly acute in environments in which financial services firms are exposed to systemic risks. A Client Account may obtain only a limited recovery or may obtain no recovery upon a counterparty default.

Bankruptcy of a Clearing Organization or Clearing Member. A party to a cleared derivatives transaction is subject to the credit risk of the clearing organization that becomes the counterparty to the transaction and that of the clearing member through which it holds its cleared position, rather than the credit risk of its original counterparty to the derivatives transaction. Credit risk of market participants with respect to derivatives that are centrally cleared is concentrated in a few clearing organizations. It is not clear how an insolvency proceeding of a clearing organization would be conducted or what impact an insolvency of a clearing organization would have on the financial system.

A clearing member is obligated by contract and by applicable regulation to segregate all funds received from customers with respect to cleared derivatives positions from the clearing member's proprietary assets. However, all funds and other property received by a clearing member from its customers with respect to cleared derivatives are generally held by the clearing member on a commingled basis in an omnibus account, and the clearing member may invest those funds in instruments permitted under the applicable regulations. Therefore, a Client Account might not be fully protected in the event of the bankruptcy of a Client Account's clearing member because the Client Account would be limited to recovering only a pro rata share of the funds held in the omnibus account for the relevant account class.

Risk of Failure of a Clearing Broker to Comply with Margin Requirements. The clearing member is required to transfer to the clearing organization the amount of margin required by the clearing organization for the cleared derivatives. Such amounts are generally held in an omnibus account at the clearing organization for all customers of the clearing member. Regulations promulgated by the CFTC require that the clearing member notify the clearing

organization of the portion of the aggregate initial margin provided by the clearing member to the clearing organization that is attributable to each customer. However, if the clearing member does not accurately report a Client Account's initial margin, the Client Account would be subject to the risk that the clearing organization will use Client Account's assets held in an omnibus account at the clearing organization to satisfy payment obligations of a defaulting customer of the clearing member to the clearing organization. In addition, clearing members generally provide the clearing organization the net amount of variation margin required for cleared swaps for all of its customers in the aggregate, rather than individually for each customer. The Client Accounts are therefore subject to the risk that a clearing organization will not make variation margin payments owed to them if another customer of the clearing member has suffered a loss or is in default, and the risk that Client Accounts will be required to provide additional variation margin to the clearing organization before the clearing organization will move the Client Account's cleared derivatives positions to another clearing member. In addition, if a clearing member does not comply with the applicable regulations or its agreement with the Client Accounts, or in the event of fraud or misappropriation of customer assets by a clearing member, Client Accounts could have only an unsecured creditor claim in an insolvency of the clearing member with respect to the margin held by the clearing member. Client Accounts also would have only an unsecured claim for the return of any margin held by the clearing member that is in excess of the amounts owed to the Client Accounts on their derivative contracts cleared through that clearing member.

Daily Trading Limits Imposed by the Exchanges and Position Limits. The CFTC and U.S. commodities exchanges limit the amount of fluctuation permitted in futures contract prices during a single trading day by regulations referred to as "daily price fluctuation limits" or "daily trading limits." Once the daily trading limit has been reached in a particular futures contract, no trades may be made that day at a price beyond that limit or trading may be suspended for specified periods during the trading day. Futures contract prices could move to the limit for several consecutive trading days with little or no trading, thereby preventing prompt liquidation of futures positions and potentially disguising substantial losses the client may ultimately incur.

A Client Account's investment performance depends upon how its assets are allocated and reallocated, and a client could lose money on its investment as a result of these allocation decisions and related constraints. The CFTC and the exchanges on which commodity interests (futures, options on futures and swaps) are traded may impose limitations governing the maximum number of positions on the same side of the market and involving the same underlying instrument that may be held by a single investor or group of related investors, whether acting alone or in concert with others (regardless of whether such contracts are held on the same or different exchanges or held or written in one or more accounts or through one or more brokers). Breton Hill currently trades for multiple accounts and funds, and therefore the commodity interest positions of all such accounts and funds will generally be required to be aggregated for purposes of determining compliance with position limits, position reporting and position "accountability" rules imposed by the CFTC or the various exchanges. Swaps positions in physical commodity swaps that are "economically equivalent" to futures and options on futures held by a Client

Account and these other funds and accounts may also be included in determining compliance with federal position rules, and the exchanges may impose their own rules covering these and other types of swaps. These trading and position limits, and any aggregation requirement, could materially limit the commodity interest positions Breton Hill may take for a Client Account and may cause Breton Hill to close out a Client Account's positions earlier than it might otherwise choose to do so.

Additional Risk Factors in Cleared Derivatives Transactions. Transactions in some types of swaps (including certain interest rate swaps and credit default swaps on North American and European indices) are required to be centrally cleared. In a transaction involving those swaps, a Client Account's counterparty is a clearing organization, rather than a bank or broker. Since the Client Accounts are not members of clearing organizations and only members of a clearing organization can participate directly in the clearing organization, the Client Accounts will hold cleared derivatives through accounts at clearing members. In cleared derivatives positions, the Client Accounts will make payments (including margin payments) to and receive payments from a clearing organization through their accounts at clearing members. Clearing members guarantee performance of their clients' obligations to the clearing organization.

In many ways, cleared derivative arrangements are less favorable to Client Accounts than bilateral arrangements. For example, the Client Accounts may be required to provide more margin for cleared derivatives positions than for bilateral derivatives positions. On the other hand, given the longer time horizon to be covered, lesser opportunities for netting, and likely less standardization of the instruments involved, margin on bilateral positions may be greater. Also, in contrast to a bilateral derivatives position, following a period of notice to a Client Account, a clearing member generally can require termination of an existing cleared derivatives position at any time or an increase in margin requirements above the margin that the clearing member required at the beginning of a transaction. Clearing organizations also have broad rights to increase margin requirements for existing positions or to terminate those positions at any time. Any increase in margin requirements or termination of existing cleared derivatives positions by the clearing member or the clearing organization could interfere with the ability of a Client Account to pursue its investment strategy. Further, any increase in margin requirements by a clearing member could expose a Client Account to greater credit risk to its clearing member because margin for cleared derivatives positions in excess of a clearing organization's margin requirements typically is held by the clearing member.

A Client Account is subject to risk if it enters into a derivatives transaction that is required to be cleared (or that Breton Hill expects to be cleared), and no clearing member is willing or able to submit the transaction for clearing on the Client Account's behalf. While the documentation in place between the Client Accounts and their clearing members generally provides that the clearing members will submit for clearing all cleared derivatives transactions that are within specified credit limits for each Client Account, the Client Accounts are still subject to the risk that no clearing member will be willing or able to submit a transaction for clearing. In those cases, the position would be terminated, and the

Client Account could lose some or all of the benefit of the position, including loss of an increase in the value of the position or loss of hedging protection.

The documentation governing the relationship between the Client Accounts and clearing members is drafted by the clearing members and generally is less favorable to the Client Accounts than typical bilateral derivatives documentation. For example, documentation relating to cleared derivatives generally includes a one-way indemnity by the Client Accounts in favor of the clearing member for losses the clearing member incurs as the Client Accounts' clearing member and typically does not provide the Client Accounts any remedies if the clearing member defaults or becomes insolvent. While futures contracts entail similar risks, the risks likely are more pronounced for cleared swaps due to their more limited liquidity and market history.

- **Diversification Risk.** Client Accounts may not be diversified across a wide range of asset classes or issuers which could increase the risk of loss and volatility than would be the case if the Client Account were diversified across asset classes or issuers because the value of holdings would be more susceptible to adverse events affecting that asset classes or issuers.
- **ESG Investing Risk.** Breton Hill may consider ESG factors when managing Client Accounts. In addition, Breton Hill and its affiliates have an incentive to encourage Breton Hill employees to take actions (*e.g.*, make investments, vote proxies, etc.) based on ESG factors in order to maintain the Firm's ESG scores or improve the Firm's ESG standing so that the Firm can continue to reference those scores in marketing materials in an effort to attract new clients or additional assets from existing clients, and maintain or to retain the interest rate under one of the Firm's credit agreements. A Client Account could underperform similar accounts that do not take into account ESG factors. Specifically, the use of ESG factors could result in selling or avoiding stocks that subsequently perform well or purchasing stocks that subsequently underperform. Breton Hill may take ESG factors into account when voting proxies, which may not always be consistent with maximizing performance of the issuer or the Client Account.
- **ETF Risks.** Investing in an ETF exposes a Client Account to all of the risks of that ETF's investments and subjects it to a *pro rata* portion of the ETF's fees and expenses. As a result, the cost of investing in ETF shares may exceed the costs of investing directly in its underlying investments. ETF shares trade on an exchange at a market price which may vary from the ETF's net asset value. ETFs may be purchased at prices that exceed the net asset value of their underlying investments and may be sold at prices below such net asset value. Because the market price of ETF shares depends on the demand in the market for them, the market price of an ETF may be more volatile than the underlying portfolio of securities the ETF is designed to track, and a Client Account may not be able to liquidate ETF holdings at the time and price desired, which may impact its performance.
- **Forward Contracts.** If Client Account investment guidelines permit, Breton Hill may enter into forward contracts and options thereon which are not traded on exchanges and are generally not regulated on behalf of such account. There are no limitations on daily price moves of forward contracts. Banks and other dealers with which a Client Account may

maintain accounts normally require the Client Account to deposit margin with respect to such trading. The counterparties are not required to continue to make markets in such contracts and these contracts can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain counterparties have refused to continue to quote prices for forward contracts or have quoted prices with an unusually wide spread (the price at which the counterparty is prepared to buy and that at which it is prepared to sell). Arrangements to trade forward contracts may be made with only one or a few counterparties, and liquidity problems therefore might be greater than if such arrangements were made with numerous counterparties. The imposition of credit controls by governmental authorities might limit such forward trading to less than that which Breton Hill would otherwise recommend, to the possible detriment of a Client Account. Market illiquidity or disruption could result in major losses to a Client Account. In addition, a Client Account may be exposed to credit risks with regard to counterparties with which it trades as well as risks relating to settlement default. Such risks could result in substantial losses to a Client Account.

- **Futures.** Breton Hill may engage in regulated futures transactions for active management or risk management or hedging purposes. Trading in futures and options on futures involves significant risks, including the following: (i) futures contracts and options on futures are volatile in price; (ii) futures trading is highly leveraged; (iii) futures trading may be illiquid; (iv) the clearing broker, or “futures commission merchant” may misuse or lose collateral (“margin”) associated with the futures contracts; and (v) the clearing broker may default, file for bankruptcy or become insolvent. As discussed above, such a default may lead to a loss within the Client Account of margin deposits made by the Client Account in the event of bankruptcy of a clearing broker with whom a Client Account has an open position in a futures contract or related option. Client Accounts may sustain a total loss of the futures contracts including the initial margin and any maintenance margin that it deposits with a broker to establish or maintain a position in the commodity futures market. If the market moves against a position in a Client Account, such Client Account may be required to deposit a substantial amount of additional margin, on short notice, in order to maintain its position. If the Client Account does not provide the required margin within the prescribed time, its position may be liquidated at a loss, and the Client will be liable for any resulting deficit in its account. The high degree of leverage that is often obtainable in futures trading because of the small margin requirements can work against a Client Account, as well as for it. The use of leverage can lead to large losses. Non-U.S. futures markets may have greater risk than U.S. futures markets. Unlike trading on U.S. commodity exchanges, trading on non-U.S. commodity exchanges is not regulated by the CFTC and may be subject to greater risks than trading on U.S. exchanges. Futures markets may also be illiquid which could prevent Breton Hill from promptly liquidating unfavorable positions and adversely affect trading and profitability.
- **Global Epidemics.** An epidemic outbreak and governments’ reactions to such an outbreak could cause uncertainty in the markets and can adversely affect the performance of the global economy. Outbreaks such as the severe acute respiratory syndrome, avian influenza, H1N1/09, and, most recently, the coronavirus (Covid-19), or other similarly infectious diseases can have material adverse impacts on Client Accounts. Breton Hill cannot predict

the likelihood of disease outbreaks occurring in the future nor how such outbreaks will affect Client Accounts.

- **Global Trade.** The U.S. is renegotiating many of its global trade relationships and has imposed or threatened to impose significant import tariffs. These actions could lead to price volatility and overall declines in U.S. and global investment markets.
- **Geographic Risk.** From time to time, based on market or economic conditions, the Client Account may invest a significant portion of its assets in one country or geographic region. If the Client Account does so, there is a greater risk that economic, political, social and environmental conditions in that particular country or geographic region may have a significant impact on the Client Account's performance and that the Client Account's performance will be more volatile than the performance of more geographically diversified accounts. The economies and financial markets of certain regions can be highly interdependent and may decline all at the same time. In addition, certain areas are prone to natural disasters such as earthquakes, volcanoes, droughts or tsunamis and are economically sensitive to environmental events. Alternatively, the lack of exposure to one or more countries or geographic regions may adversely affect performance.
- **Hedging.** Hedging techniques involve one or more of the following risks: (i) imperfect correlation between the performance and value of the hedging instrument and the Client Account's position being hedged; (ii) possible lack of a secondary market for closing out a position in such instruments; (iii) losses resulting from interest rate, spread or other market movements not anticipated by Breton Hill; (iv) the possible obligation to meet additional margin or other payment requirements, all of which could worsen the Client Account's position; and (v) default or refusal to perform on the part of the counterparty with which the Client Account trades. Furthermore, to the extent that any hedging strategy involves the use of derivative instruments, such a strategy will be subject to the risks applicable to such instruments, as described herein.
- **High Frequency Trading.** Strategies involving frequent trading of securities can adversely affect investment performance, particularly through increased brokerage and other transaction expenses, including unfavorable tax consequences. Breton Hill will not generally seek to limit portfolio turnover when making investment decisions. Portfolio turnover can vary from year to year, as well as within a year. Portfolio turnover and brokerage and other transactions expenses may exceed those of investments of comparable size. Brokerage commissions, fees, taxes, and other transaction costs may be substantial, regardless of performance.
- **Investment Company Risk.** To the extent a Client Account invests in ETFs or other investment companies, its performance will be affected by the performance of those other investment companies. Investments in ETFs and other investment companies are subject to the risks of the investment companies' investments, as well as to the investment companies' expenses. If a Client Account invests in other investment companies, the Client Account may receive distributions of taxable gains from portfolio transactions by that

investment company and may recognize taxable gains from transactions in shares of that investment company, which would be taxable when distributed.

- **Investment Strategy and Portfolio Management Risk.** There can be no assurance that an investment strategy will produce an intended result, or would not result in losses to an investor, including, potentially, a complete loss of principal. The performance of a strategy depends on the skill of Breton Hill and its portfolio manager(s) in making appropriate investment decisions. Subjective decisions made by Breton Hill may cause a Client Account to incur losses or to miss profit opportunities on which it may otherwise have capitalized.
- **Leverage Risk.** Breton Hill utilizes leverage when implementing its investment strategies. Leverage increases returns to investors if a Client earns a greater return on leveraged investments than the Client's cost of such leverage. However, the use of leverage exposes the Client to additional levels of risk including (i) greater losses from investments than would otherwise have been the case had the Client not borrowed to make the investments, (ii) margin calls or changes in margin requirements may force premature liquidations of investment positions, (iii) losses on investments where the investment fails to earn a return that equals or exceeds the Client's cost of leverage related to such investments and (iv) fluctuations in interest rates on the Client's borrowings, which may have a negative effect on the Client's profitability. In case of a sudden, precipitous drop in the value of a Client's assets, the Client might not be able to liquidate assets quickly enough to repay its borrowings, further magnifying the losses incurred by the Client. A Client may at times find it difficult or impossible to obtain leverage. Since leveraging its assets will be part of the investment strategy of the Clients, in such event, Breton Hill could find it difficult to fully implement its strategy. In addition, any leverage obtained, if terminated on short notice by the lender, could result in the Client being forced to unwind positions quickly and at prices below what Breton Hill deems to be fair value for the positions.
- **Liquidity Risk.** Illiquid securities are securities that are not readily marketable, and, as a result, may be more difficult to purchase or sell at an advantageous price or time. A Client Account could lose money if it cannot sell a security at the time and price that would be most beneficial to it. Further, the lack of an established secondary market may make it more difficult to value illiquid securities, which could vary from the amount the Client Account could realize upon disposition. Judgment plays a greater role in pricing these investments than it does in pricing investments having more active markets, and there is a greater risk that the investments may not be sold for the price at which they are carried. The sale of some illiquid securities may be subject to legal restrictions, which could be costly to the Client Account.

A strategy may hold securities that are illiquid and cannot be transferred or redeemed for a substantial period of time, and there may be little or no near-term cash flow available to investors in the interim. Likewise, a portfolio may not receive any distributions representing the return of capital on an illiquid security for an indefinite period of time.

- **Limited Reporting for Private Funds.** While Private Funds generally may provide periodic performance reports and annual audited financial statements, unless otherwise

agreed to, they are not otherwise required to provide periodic pricing or valuation information to investors.

- **Market Volatility.** Markets may at times be volatile and values of individual securities and other investments may decline significantly, and sometimes rapidly, in response to adverse issuer, political, regulatory, market, economic or other developments that may cause broad changes in market value, public perceptions concerning these developments, and adverse investor sentiment. Geopolitical and other risks, including environmental and public health risks could add to instability in world economies and markets generally. Changes in the financial condition of a single issuer may impact a market as a whole. If a Client Account sells a portfolio position before it reaches its market peak, it may miss out on opportunities for better performance.
- **Non-U.S. and Emerging Markets Risk.** Non-U.S. securities involve risks in addition to those associated with comparable U.S. securities and can be more volatile and experience more rapid and extreme changes in price than U.S. securities. Additional risks include exposure to less developed or less efficient trading markets; social, political or economic instability; fluctuations in non-U.S. currencies; nationalization or expropriation of assets; settlement, custodial or other operational risks; less stringent auditing, accounting, financial reporting and legal standards; excessive taxation; and exchange control regulations. Adverse conditions in a particular region could negatively affect securities of countries whose economies appear to be unrelated or not interdependent. Compared to the United States, non-U.S. governments and markets often have less stringent accounting, disclosure and financial reporting requirements. As a result, non-U.S. securities can fluctuate more widely in price, and may also be less liquid, than comparable U.S. securities. Securities markets of countries other than the U.S. are generally smaller than U.S. securities markets with a limited number of issuers representing fewer industries. In many countries, there is less publicly available and lower quality information about issuers than is available in the reports and ratings published about issuers in the U.S. Many non-U.S. securities may be less liquid than U.S. securities, which could affect the investments under a strategy that utilizes these types of securities.

Emerging markets are those of countries with immature economic and political structures. Investing in emerging markets may involve heightened and significant risks and special considerations not typically associated with investing in other more established economies or securities markets. Such risks may include: (i) greater social, economic and political uncertainty including war; (ii) higher dependence on exports and the corresponding importance of international trade; (iii) greater risk of inflation; (iv) increased likelihood of governmental involvement in and control over the economies; (v) governmental decisions to cease support of economic reform programs or to impose centrally planned economies; (vi) the possibility of nationalization, expropriation, confiscatory tax policies and social instability; and (vii) considerations regarding the maintenance of a Client Account's securities and cash with non-U.S. brokers and custodians.

Companies in emerging markets are generally subject to less stringent and less uniform accounting, auditing and financial reporting standards, practices and disclosure

requirements than those applicable to companies in developed countries. Securities markets in emerging market countries may have substantially less volume of trading and are generally more volatile than securities markets of developed countries. In certain periods, there may be little liquidity in such markets. There is often less government regulation of stock exchanges, brokers and listed companies in emerging market countries than in developed market countries. Commissions for trading on emerging markets stock exchanges are generally higher than commissions for trading on developed market exchanges. Settlement of trades in some non-U.S. markets is much slower and more subject to failure than in U.S. markets. In addition, custodial or settlement systems may not be fully developed in emerging market countries, thereby exposing a Client Account to the risk of a sub-custodian's failure with no recourse against the custodian.

Many of the laws that govern private and foreign investment, securities transactions and other contractual relationships in emerging markets are new and largely untested. As a result, investing in emerging markets involves a number of unusual risks, including inadequate investor protection, contradictory legislation, incomplete, unclear and changing laws, ignorance or breaches of regulations on the part of other market participants, lack of established or effective avenues for legal redress, lack of standard practices and confidentiality customs characteristic of developed markets and lack of enforcement of existing regulations. Furthermore, it may be difficult to obtain and enforce a judgment in certain emerging markets.

Emerging market securities also will be affected by general economic and market conditions, such as exchange rates, interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, trade barriers, currency exchange controls and national and international political circumstances. These factors may affect the level and volatility of securities' prices and the liquidity of the Client Account's investments. Volatility or illiquidity could impair a Client Account's profitability or result in losses.

Specifically, investments in the People's Republic of China ("**PRC**") involve certain risks and special considerations not typically associated with Anglo sphere markets (i.e., Australia, Canada, New Zealand, the United Kingdom and the U.S.), such as greater government control over the economy, political and legal uncertainty, controls imposed by the PRC authorities on foreign exchange and movements in exchange rates (which may impact on the operations and financial results of PRC companies), risks related to the Renminbi Qualified Foreign Institutional Investor (RQFII) scheme, confiscatory taxation, the risk that the PRC government may decide not to continue to support economic reform programs, the risk of nationalization or expropriation of assets, lack of uniform auditing and accounting standards, less publicly available financial and other information, potential difficulties in enforcing contractual obligations and limitations on the ability to distribute dividends due to currency exchange issues, which may result in risk of loss of favorable tax treatment.

- **MiFID II Risks.** There is a risk that Certain Client Accounts may be subject to non-U.S. regulations that are inconsistent with Breton Hill's standard trading practices. For example, recent revisions to the EU Markets in Financial Instruments Directive ("**MiFID II**")

and related regulations limit a manager's ability to receive Products and Services from executing brokers (as such terms are defined therein). While Breton Hill is not directly subject to these regulations, Breton Hill may adjust its standard trading practices on a case-by-case basis to accommodate compliance with MiFID II and other non-U.S. regulations by certain Client Accounts and affiliates. These accommodations may include, but are not limited to: expanded use of client commission arrangements, commission sharing arrangements and similar arrangements; enhanced reporting on client commissions and the Services and Products obtained; and non-participation in the generation of soft dollar credits. Breton Hill expects the effective commission rates in these circumstances to be substantially similar to those paid by similarly situated Client Accounts. However, as a result of these accommodations, investors in Client Accounts from certain jurisdictions may account for a lower percentage of soft dollar credits than otherwise similar investors (in such Client Accounts or otherwise) from other jurisdictions.

- **Model Valuations Risk.** Breton Hill's investment strategies are based substantially upon a number of quantitative approaches, systematic analysis, algorithms or other models. As with any model-driven or other quantitative strategy, the investment strategies and their resulting performance are subject generally to model risk (i.e., the consequences of any inaccuracy, flaw or limitation of the quantitative model). Models are generally based upon historical data, which is not indicative of the future performance of any investments in any Client Accounts. Breton Hill is continually engaged in the evaluation and refinement of investment models reflected in its strategies. It may also modify existing models, discontinue use of certain models or add other models or other investment methodologies in the future. Models to be employed by Breton Hill are intended to identify and capture favorable investment opportunities or to limit certain types of risks, or possibly both. However, there is no assurance that the use of any such models will necessarily fulfill their intended objectives or assure investment success in future markets and environments.
- **New Fund Risk.** The Private Funds may be newly formed and have limited or no operating histories. As such, there is no guarantee that the funds will achieve their investment objectives. A new fund may not be successful in implementing its investment strategy, and its investment strategy may not be successful under all future market conditions, either of which could result in the fund being liquidated at some future time without shareholder approval, where applicable, and/or at a time that may not be favorable for certain shareholders. New funds may not attract sufficient assets to achieve investment, trading or other efficiencies.
- **Operational Risk.** Breton Hill uses service providers from time to time in connection with its products. A Client Account's ability to transact with Breton Hill may be negatively impacted due to operational risks arising from, among other problems, systems and technology disruptions or failures, or cybersecurity incidents. The occurrence of any of these problems could result in a loss of information, regulatory scrutiny, reputational damage and other consequences, any of which could have a material adverse effect on Breton Hill or its clients. Breton Hill, through its monitoring and oversight of its service providers, endeavors to determine that service providers take appropriate precautions to avoid and mitigate risks that could lead to such problems. However, it is not possible for

Breton Hill or its service providers to identify all of the operational risks that may affect Breton Hill or to develop processes and controls to completely eliminate or mitigate their occurrence or effects.

Specifically, since the use of technology has become more prevalent in the course of managing Client Accounts, Breton Hill and the Client Accounts it manages may be more susceptible to operational risks through breaches in cybersecurity. A cybersecurity incident may refer to either intentional or unintentional events that allow an unauthorized party to gain access to client assets, customer data, or proprietary information, or cause Breton Hill to suffer data corruption or lose operational functionality. A cybersecurity incident could, among other things, result in the loss or theft of Client Account data or funds, clients or employees being unable to access electronic systems (“**denial of services**”), loss or theft of proprietary information or corporate data, physical damage to a computer or network system, or remediation costs associated with system repairs. Any of these results could have a substantial impact on Client Accounts. For example, if a cybersecurity incident results in a denial of service, service providers for a particular Client Account could be unable to access electronic systems to perform critical duties for such Client Account, such as trading, net asset value calculation or other accounting functions. Further, Client Accounts could also be exposed to losses resulting from unauthorized use of their personal information. Cybersecurity incidents could cause Breton Hill or one of its service providers to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures, or financial loss of a significant magnitude. Cybersecurity incidents may also cause Breton Hill to violate applicable privacy and other laws. Breton Hill has established risk management systems that seek to reduce the risks associated with cybersecurity, and business continuity plans in the event there is a cybersecurity breach. However, there is no guarantee that such efforts will succeed, and Breton Hill does not directly control the cybersecurity systems of the issuers of securities in which Client Accounts invest or Breton Hill’s service providers. In addition, such incidents could affect issuers in which a Client Account invests, and thereby cause a Client Account’s portfolio investments to lose value.

- **Options.** Breton Hill may invest in options on behalf of a Client Account. Purchasing put and call options, as well as writing such options, are highly specialized activities and entail greater than ordinary investment risks. Although an option buyer’s risk is limited to the amount of the original investment for the purchase of the option, an investment in an option may be subject to greater fluctuation than is an investment in the underlying securities. In theory, the writer (seller) of an uncovered call is subject to unlimited losses, but as a practical matter, the amount of potential loss is likely to be limited by reason of the option having only a limited term. The risk for a writer of a put option is that the price of the underlying securities may fall below the exercise price. The ability to trade in or exercise options may be restricted in the event that trading in the underlying securities interest becomes restricted. The prices of options are volatile and are influenced by, among other things, actual and anticipated changes in the value of the underlying instrument, or in interest or currency exchange rates, including the anticipated volatility of the underlying instrument (known as implied volatility), which in turn are affected by fiscal and monetary policies and by national and international political and economic events, as will the

performance of the issuer of the underlying instrument. As such, prior to the exercise or expiration of the option, the Client Account is exposed to implied volatility risk, meaning the value, as based on implied volatility, of an option could increase due to market and economic conditions or views based on the sector or industry in which issuers of the underlying instrument participate, including company-specific factors.

Unlike exchange-traded options, which are standardized with respect to the underlying instrument, expiration date, contract size, and strike price, the terms of OTC options (options not traded on exchanges) are generally established through negotiation with the other party to the option contract. While this type of arrangement allows a Client Account greater flexibility to tailor an option to its needs, OTC options generally involve greater credit risk than exchange-traded options, in which the counterparty is a clearing organization.

The market price of options written by a Client Account will be affected by many factors, including changes in the market price or dividend rates of underlying securities (or in the case of indices, the securities comprising such indices); changes in interest rates or exchange rates; changes in the actual or perceived volatility of the relevant stock market and underlying securities; and the time remaining before an option's expiration. The market price of an option also may be adversely affected if the market for the option becomes less liquid. In addition, since an American-style option allows the holder to exercise its rights any time prior to the option's expiration, the writer of an American-style option has no control over when it may be required to fulfill its obligations as a writer of the option. (This risk is not present when writing a European-style option since the holder may only exercise the option on its expiration date.) There is also a risk of loss associated with the inability to close out of existing positions if those options were to become unavailable. In addition, regulatory agencies may impose exercise restrictions that may prevent the holder of an option from realizing value.

- **Performance-Based Fees and Allocations.** Breton Hill and its affiliates may receive performance-based fees or allocations, including certain special allocations based on the returns to its investors. Such performance-based fees and allocations may create incentives for Breton Hill and its affiliates to make more risky or speculative investments than they would otherwise make.
- **Private Funds - Lack of Liquidity.** There is no public market for interests in the Private Funds. Substantial transfer restrictions typically exist with respect to such interests. Investors can only redeem all or any permissible part of their investments in accordance with the governing documents of the Private Fund, and may be subject to suspensions and other restrictions.
- **Projections.** Breton Hill will make investments relying, in part, upon projections it has developed concerning an issuer or its securities or other assets' future performance, cash flow, recovery value and other factors. Projections are inherently uncertain and subject to factors beyond the control of Breton Hill. The inaccuracy of certain assumptions, the failure of an issuer to satisfy certain financial requirements and the occurrence of unforeseen

events could cause any such projection to be materially inaccurate. Investors should therefore carefully examine the assumptions behind a particular projection or targeted return.

- **Quantitative Trading/Tools Risk.** Quantitative investment strategies rely heavily on proprietary quantitative models in seeking to exploit short-term and long-term relationships among securities prices and volatility. The models employed may not be well-suited to prevailing market conditions or may be unreliable, where unusual events specific to particular corporations or major events external to the operation of markets may cause extreme market moves that are inconsistent with the historic correlation and volatility structure of the market. The models may be formulated based on past market data which may not be indicative of future price movements. Models also may have hidden biases or exposure to broad structural or sentiment shifts. In the event actual events fail to conform to the assumptions underlying the models, losses could be incurred.
- **Recent Market Conditions.** Events in certain sectors historically have resulted, and may in the future result, in an unusually high degree of volatility in the financial markets, both domestic and foreign. These events have included, but are not limited to: bankruptcies, corporate restructurings, and other events related to the sub-prime mortgage crisis in 2008; governmental efforts to limit short selling and high frequency trading; measures to address U.S. federal and state budget deficits; social, political, and economic instability in Europe; economic stimulus by the Japanese central bank; sudden shifts in oil prices; dramatic changes in currency exchange rates; and China's economic slowdown. Relatively high volatility and reduced liquidity in fixed income and credit markets may negatively affect many issuers worldwide, which may have an adverse effect on Client Accounts.

In addition, global economies and financial markets are increasingly interconnected, which increases the possibility that conditions in one country or region might adversely impact issuers in a different country or region.

Global climate change could have an adverse effect on property and security values. A rise in sea levels or a storm-driven increase in coastal flooding could cause such properties to lose value or become unmarketable altogether. Large wildfires driven by high winds and prolonged drought could devastate entire communities and could be very costly to any business found to be responsible for the fire. These losses could adversely affect mortgage lenders, the value of mortgage-backed securities, the bonds of municipalities that depend on tax revenues and tourist dollars generated by such properties, and insurers of the property or municipal or mortgage-backed securities. Since property and security values are driven largely by buyers' perceptions, it is difficult to know the time period over which these effects might unfold. Economists warn that, unlike previous declines in the real estate market, properties in coastal flood zones may not ever recover their value. In addition, voluntary initiatives and mandatory controls have been adopted or are being discussed worldwide to reduce emissions or "greenhouse gases" such as carbon dioxide, a by-product of burning fossil fuels, and methane, the major constituent of natural gas, which many scientists and policymakers believe contribute to global climate change. These measures, and other programs addressing greenhouse gas emissions, could reduce demand for

energy or raise prices, and could have an adverse impact on investments made for Client Accounts.

The situation in the financial markets following the 2008 financial crisis resulted in the U.S. and other governments and the Federal Reserve and certain non-U.S. central banks taking steps to support financial markets. In some countries where economic conditions have somewhat recovered, they are nevertheless perceived as still fragile. Withdrawal of government support, failure of efforts in response to the crisis, or investor perception that such efforts have not succeeded could adversely impact the value and liquidity of certain securities. The severity or duration of adverse economic conditions may also be affected by policy changes made by governments or quasi-governmental organizations, including changes in tax laws. The impact of new financial regulation legislation on the markets and the practical implications for market participants may not be fully known for some time. Regulatory changes are causing some financial services companies to exit long-standing lines of business, resulting in dislocations for other market participants. In addition, political events within the U.S. and abroad may affect investor and consumer confidence and may adversely impact financial markets and the broader economy, perhaps suddenly and to a significant degree. High public debt in a number of countries creates ongoing systemic and market risks and policymaking uncertainty. The numerous countries struggling under such public debt has brought to the forefront tension within the European economic structure that, if not handled skillfully, could result in economic disruption in the Eurozone, which could occur abruptly. The precise details and the resulting impact of the United Kingdom's vote to leave the European Union (the "EU"), commonly referred to as "Brexit," are impossible to know for sure at this point. On March 29, 2017, Prime Minister Theresa May provided formal notification of the United Kingdom's intention to withdraw from the EU pursuant to Article 50 of the Treaty of Lisbon to the European Council. This formal notification began a two-year period of negotiations about the terms of the United Kingdom's exit from the EU. The effect on the United Kingdom's economy will likely depend on the nature of trade relations with the EU and other major economies following its exit, which are matters to be negotiated. The decision may cause increased volatility and have a significant adverse impact on world financial markets, other international trade agreements, and the United Kingdom and European economies, as well as the broader global economy for some time. Political and military events, including in North Korea, Venezuela, Iran, Syria, and other areas of the Middle East, and nationalist unrest in Europe and South America, also may cause market disruptions. The precise details and the resulting impact of the United Kingdom's departure from the EU are discussed in "*Recent Market Conditions – Brexit*" in this Item 8.C.

Those and other events, and the potential for continuing market turbulence, may have an adverse effect on Client Accounts. Because the impact on the markets has been widespread, it may be difficult to identify both risks and opportunities using past models of the interplay of market forces, or to predict the duration of these market conditions. Changes in market conditions will not have the same impact on all types of securities. Interest rates have been unusually low in recent years in the U.S. and abroad. However, the Federal Reserve has recently raised the target range for the federal funds rate several times and then recently lowered it again. Those rate changes, and the possibility that the Federal Reserve may

continue with such rate increases, among other factors, could cause markets to experience continuing high volatility. The U.S. is also considering significant new investments in infrastructure and national defense that, coupled with lower federal tax revenues following the passage of the Tax Cuts and Jobs Act, could lead to increased government borrowing and higher interest rates. A significant increase in interest rates may cause a decline in the market for equity securities. Also, regulators have expressed concern that rate increases may contribute to price volatility. In addition, there is a risk that the prices of goods and services in the U.S. and many non-U.S. economies may decline over time, known as deflation (the opposite of inflation). Deflation may have an adverse effect on stock prices and creditworthiness and may make defaults on debt more likely. If a country's economy slips into a deflationary pattern, it could last for a prolonged period and may be difficult to reverse.

- **Recent Market Conditions – Brexit.** In January 2020, the United Kingdom (“UK”) left the EU, commonly referred to as “Brexit.” There is significant market uncertainty regarding Brexit’s ramifications, and the range and potential implications of possible political, regulatory, economic, and market outcomes are difficult to predict. This long-term uncertainty could affect other countries in the EU and elsewhere, and could cause volatility within the EU, triggering prolonged economic downturns in certain European countries.

As such, it is also difficult to assess the precise impact of Brexit on U.S.-based and other Client Accounts. This uncertainty will likely continue to adversely impact the global economic climate and impact companies or assets, including with respect to opportunity, pricing, regulation, value or exit, considered for prospective investment by a Client Account, including in particular companies based in, doing business in, or having service or other significant relationships in, the UK or the EU. Brexit could cause greater market volatility and illiquidity, currency fluctuations, deterioration in economic activity, a decrease in business confidence, and increased likelihood of a recession in the UK. The future application of EU-based legislation generally, and to banking, financial services and insurance industries in particular, will ultimately depend on how the UK renegotiates its relationship with the EU. There is no assurance that any renegotiated terms or regulations will not have an adverse impact on the Client Accounts or Breton Hill, including the ability of a Client Account to achieve its investment objective.

- **Recent Regulatory Events and Government Intervention.** The situation in the financial markets has resulted in increased regulation, and the need of many financial institutions for government help has given lawmakers and regulators increased leverage. The Dodd-Frank Act, among other things, granted regulatory authorities broad rulemaking and enforcement authority to implement and oversee various provisions of the Dodd-Frank Act, including comprehensive regulation of the over-the-counter derivatives and consumer credit markets. The Dodd-Frank Act covers a broad range of topics, including (among many others): a reorganization of federal financial regulators; a process intended to improve financial systemic stability and the resolution of potentially insolvent financial firms; new rules for derivatives trading; the creation of a consumer financial protection watchdog; the registration and additional regulation of hedge and private equity fund managers; and new

federal requirements for residential mortgage loans. The U.S. government or its agencies may also acquire distressed assets from financial institutions and acquire ownership interests in such institutions. The implications of government ownership and disposition of these assets are unclear and such a program may have positive or negative effects on liquidity, valuations and performance of Client Accounts. Instruments in which Client Accounts may invest, or the issuers of such instruments, may be affected in ways that are unforeseeable. Accordingly, the consequences of the extensive changes to the regulation of various markets and market participants contemplated by the Dodd-Frank Act and increased regulation arising out of the recent financial crisis are difficult to predict or measure with certainty. Other G-20 countries have implemented or are in the process of adopting regulations to govern swap transactions, and particular transactions may be subject to the laws and regulations of other jurisdictions.

Changes in political administrations could herald changes in certain policies, among them proposals relating to the regulation of certain players in the financial markets. While those proposed policies are going through the political process, markets may react strongly to expectations, which could increase volatility, especially if a market's expectations for changes in government policies are not borne out.

Client Accounts are also subject to the risk of local, national and global economic disturbances based on unknown conditions in the market in which an account invests. In the event of such disturbances, issuers of securities held by a Client Account may suffer significant declines in the value of these assets and even terminate operations. Such issuers also may receive government assistance accompanied by increased control and restrictions or other government intervention. It is not clear whether the U.S. government will intervene in response to such disturbances and the effect of any such intervention is unpredictable.

- **Redemption Risk.** A Client Account may experience periods of heavy redemptions that could cause a Client Account to sell assets at inopportune times or at a loss or depressed value. Redemption risk is greater to the extent that one or more investors or intermediaries control a large percentage of investments in a Client Account, have short investment horizons, or have unpredictable cash flow needs. In addition, redemption risk is heightened during periods of declining or illiquid markets. Heavy redemptions, whether by a few large investors or many smaller investors in the case of Private Funds and Sub-Advised Funds, could hurt a Client Account's performance. Since the financial crisis that started in 2008, the U.S. Federal Reserve has attempted to stabilize the economy and support the economic recovery by keeping the federal funds rate (the interest rate at which depository institutions lend reserve balances to other depository institutions overnight) at or near zero percent. In addition, as part of its monetary stimulus program known as quantitative easing, the U.S. Federal Reserve purchased on the open market large quantities of securities issued or guaranteed by the U.S. government, its agencies or instrumentalities. The U.S. Federal Reserve has raised and lowered the federal funds rate several times recently and it is not clear how the federal funds rate will change going forward. The Federal Reserve has also begun the process of balancing its portfolio by decreasing the number of securities it holds. A general rise in interest rates has the potential to cause investors to move out of

fixed income securities on a large scale, which would likely increase redemptions from Client Accounts that hold large amounts of fixed income securities. Such a move, coupled with a reduction in the ability or willingness of dealers and other institutional investors to buy or hold fixed income securities may result in decreased liquidity and increased volatility in the fixed income markets.

- **Reliance on Corporate Management and Financial Reporting.** Breton Hill will select investments for Client Accounts in part on the basis of information and data filed by issuers of securities with various government regulators, publicly available or made directly available to Breton Hill by such issuers or third parties. Although Breton Hill will evaluate this information and data and seek independent corroboration when it considers it appropriate and reasonably available, Breton Hill will not always be in a position to confirm the completeness, genuineness or accuracy of such information and data. Breton Hill is dependent upon the integrity of the management of such issuers and of such third parties as well as the financial reporting process in general. Client Accounts may incur material losses as a result of corporate mismanagement, fraud and accounting irregularities relating to issuers of securities or other assets they hold.
- **Sector Risk.** To the extent a Client Account invests more heavily in particular sectors, industries, or sub-sectors of the market, its performance will be especially sensitive to developments that significantly affect those sectors, industries, or sub-sectors. An individual sector, industry, or sub-sector of the market may be more volatile, and may perform differently, than the broader market. The several industries that constitute a sector may all react in the same way to economic, political or regulatory events. A Client Account's performance could be affected if the sectors, industries, or sub-sectors do not perform as expected. Alternatively, the lack of exposure to one or more sectors or industries may adversely affect performance.
- **Short Sale Risk.** Short sales are subject to special risks. A short sale involves the sale by a Client Account of a security that it does not own with the hope of purchasing the same security at a later date at a lower price. An account may also enter into a short position through a forward commitment or a short derivative position through a futures contract or swap agreement. If the price of the security or derivative has increased during this time, then the account will incur a loss equal to the increase in price from the time that the short sale was entered into plus any premiums and interest paid to the third party. Therefore, short sales involve the risk that losses may be exaggerated, potentially causing a loss of more money than the actual cost of the investment. Also, there is the risk that the third party to the short sale may fail to honor its contract terms, causing a loss to the account.
- **Swaps.** Breton Hill may utilize swaps where it believes it will further the objectives of a Client Account that permits such instruments. Swap agreements historically have been OTC, two-party contracts entered into primarily by institutional investors for periods typically 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. There are various types of swaps, including total return swaps, credit

default swaps and interest rate swaps; all of these and other swaps are derivatives and as such, each is subject to the general risks relating to derivatives described herein.

The Dodd-Frank Act has created an evolving regulatory framework for trading swaps in the United States. Under the Dodd-Frank Act, standardized swaps are required to be executed on or subject to the rules of designated contract markets or swap execution facilities and cleared by a central counterparty, a derivatives clearing organization. Central clearing is intended to reduce the risk of default by the counterparty. However, central clearing exposes Client Accounts to the clearing organization and clearing broker risks referenced above. Central clearing also may increase the costs of swap transactions by requiring the posting of larger amounts of initial and variation margin than are required in OTC transactions. On the other hand, given the longer time horizon to be covered, lesser opportunities for netting, and likely less standardization of the instruments involved, margin on bilateral positions may be greater. There may also be risks introduced of a possible default by the clearing organization or by a clearing member or futures commission merchant through which a swap is submitted for clearing. The regulations to implement the Dodd-Frank Act are still being developed so there may be further changes to the rules governing swap transactions.

Interest Rate Swaps, Mortgage Swaps, and Interest Rate “Caps,” “Floors,” and “Collars.” In a typical interest rate swap agreement, one party agrees to make regular payments equal to a floating rate on a specified amount in exchange for payments equal to a fixed rate, or a different floating rate, on the same amount for a specified period. Mortgage swap agreements are similar to interest rate swap agreements, except the notional principal amount is tied to a reference pool of mortgages. In an interest rate cap or floor, one party agrees, usually in return for a fee, to make payments under particular circumstances. For example, the purchaser of an interest rate cap has the right to receive payments to the extent a specified interest rate exceeds an agreed level; the purchaser of an interest rate floor has the right to receive payments to the extent a specified interest rate falls below an agreed level. An interest rate collar entitles the purchaser to receive payments to the extent a specified interest rate falls outside an agreed range.

Among other techniques, a Client Account may use interest rate swaps in an effort to offset declines in the value of fixed income securities held in the Client Account. In such an instance, Breton Hill may agree with a counterparty to pay a fixed rate (multiplied by a notional amount) and the counterparty to pay a floating rate multiplied by the same notional amount. If long-term interest rates rise, resulting in a diminution in the value of the Client Account’s portfolio, the Client Account would receive payments under the swap that would offset, in whole or in part, such diminution in value; if interest rates fall, the Client Account would likely lose money on the swap transaction. Breton Hill may also enter into constant maturity swaps, which are a variation of the typical interest rate swap. Constant maturity swaps are exposed to changes in long-term interest rate movements.

Total Return Swaps. Breton Hill may enter into total return swaps (“**TRS**”) to obtain exposure to a security or market without owning or taking physical custody of such security or market. Thus, a Client Account may be either a total return receiver or a total return

payer. Generally, the total return payer sells to the total return receiver an amount equal to all cash flows and price appreciation on a defined security or asset payable at periodic times during the swap term (i.e., credit risk) in return for a periodic payment from the total return receiver based on a designated index (e.g., the London Interbank Offered Rate, known as LIBOR) and spread, plus the amount of any price depreciation on the reference security or asset. The total return payer does not need to own the underlying security or asset to enter into a total return swap. The final payment at the end of the swap term includes final settlement of the current market price of the underlying reference security or asset, and payment by the applicable party for any appreciation or depreciation in value. Usually, collateral must be posted by the total return receiver to secure the periodic interest-based and market price depreciation payments depending on the credit quality of the underlying reference security and creditworthiness of the total return receiver, and the collateral amount is marked-to-market daily equal to the market price of the underlying reference security or asset between periodic payment dates.

TRS agreements may be used to obtain exposure to a security or market without owning or taking physical custody of such security or market. TRS may effectively add leverage to a Client Account because, in addition to the net assets of the Client Account, the Client Account would be subject to investment exposure on the notional amount of the swap. If a Client Account is the total return receiver in a TRS, then the credit risk for an underlying asset is transferred to the Client Account in exchange for its receipt of the return (appreciation) on that asset. If a Client Account is the total return payer, it is hedging the downside risk of an underlying asset but it is obligated to pay the amount of any appreciation on that asset.

Credit Default Swaps. In a credit default swap, the credit default protection buyer makes periodic payments, known as premiums, to the credit default protection seller. In return, the credit default protection seller will make a payment to the credit default protection buyer upon the occurrence of a specified credit event. A credit default swap can refer to a single issuer or asset, a basket of issuers or assets or index of assets, each known as the reference entity or underlying asset. A Client Account may act as either the buyer or the seller of a credit default swap. A Client Account may buy or sell credit default protection on a basket of issuers or assets, even if a number of the underlying assets referenced in the basket are lower-quality debt securities. In an unhedged credit default swap, a Client Account buys credit default protection on a single issuer or asset, a basket of issuers or assets or index of assets without owning the underlying asset or debt issued by the reference entity. Credit default swaps involve greater and different risks than investing directly in the referenced asset, because, in addition to market risk, credit default swaps include liquidity, counterparty and operational risk.

Credit default swaps allow Client Accounts to acquire or reduce credit exposure to a particular issuer, asset or basket of assets. If a swap agreement calls for payments by a Client Account, the Client Account must be prepared to make such payments when due. If a Client Account is the credit default protection seller, the Client Account will experience a loss if a credit event occurs and the credit of the reference entity or underlying asset has deteriorated. If a Client Account is the credit default protection buyer, the Client Account

will be required to pay premiums to the credit default protection seller. In the case of a physically settled credit default swap in which a Client Account is the protection seller, the Client Account must be prepared to pay par for and take possession of the debt of a defaulted issuer delivered to the Client Account by the credit default protection buyer. Any loss would be partially offset by the premium payments the Client Account receives as the seller of credit default protection. If a Client Account sells (writes) a credit default swap, it currently intends to segregate the full notional value of the swap, except if the Client Account sells a credit default swap on an index with certain characteristics (i.e., on a broad based index and cash settled) where Breton Hill believes segregating only the amount out of the money more appropriately represents the exposure of the Client Account.

Options on Swaps (Swaptions). A swaption is an option to enter into a swap agreement. The purchaser of a swaption pays a premium for the option and obtains the right, but not the obligation, to enter into an underlying swap on agreed-upon terms. The seller of a swaption, in exchange for the premium, becomes obligated (if the option is exercised) to enter into an underlying swap on agreed-upon terms. Depending on the terms of the particular option agreement, a Client Account generally will incur a greater degree of risk when it writes a swaption than when it purchases a swaption. When a Client Account purchases a swaption, it risks losing only the amount of the premium it has paid should it decide to let the option expire unexercised.

- **Systemic Risk General.** Credit risk may arise through a default by one of several large institutions that are dependent on one another to meet their liquidity or operational needs, so that a default by one institution causes a series of defaults by the other institutions. This is sometimes referred to as a “systemic risk” and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges, with which Breton Hill interacts on a daily basis.
- **Systemic Risk – European Sovereign Debt Crisis.** The European sovereign debt crisis and the ongoing recession in part of Europe have raised questions concerning the financial stability of certain EU and Eurozone members, including the continued viability of the Eurozone’s single currency and increased the risk of a possible failure of the euro or the exit of one or more countries from the Eurozone (see “*Recent Market Conditions*” in this Item 8.C). Many institutions remain saddled with high default rates on loans, still hold assets of indeterminate value, and have been forced to maintain higher capital reserves under new regulations. This has led to decreased returns from finance and banking directly, and has constricted the sector’s ability to lend, thus potentially reducing future returns and constricting economic growth. Europe is experiencing continuing challenges as a result of certain member-countries’ financial difficulties and the uncertainty around their fiscal and monetary policy direction. These developments may exacerbate the risks resulting from a Client Account’s exposure to euro-related currency fluctuations. Investments that are denominated in a foreign currency, such as euros, will be subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Volatility in the currency markets may result in a Client Account’s investment portfolio incurring higher costs and may adversely impact the profitability and cash flows from operations of its portfolio companies. As a result, a

decline in the value of the euro may reduce a Client Account's returns from exits of euro-dominated investments. The potential adverse fluctuations in foreign currency exchange rates and the costs associated with conversion of investment principal and income from one currency into another may adversely impact a Client Account's returns. Although it is difficult to forecast all of the consequences of a failure of the euro or the exit of one or more countries from the Eurozone, one possible outcome is a rise in interest rates on the sovereign debt of one or more troubled European nations, which could lead to a failure or series of failures in performance of sovereign debt. Given the high degree of exposure to European sovereign debt by European financial institutions, this may increase the risk of a failure by one or more European financial institutions. Any such failure could have a material adverse effect on one or more of a Client Account's portfolio investments or the Client Account itself. A Client Account may have exposure, directly or indirectly (including through portfolio investments) to counterparties that have significant exposure to, or themselves are, European financial institutions.

- **Tax Managed Investing Risk:** Investment strategies that seek to enhance after-tax performance may be unable to fully realize strategic gains or harvest losses due to various factors. Market conditions may limit the ability to generate tax losses. A tax managed strategy may cause a client portfolio to hold a security in order to achieve more favorable tax treatment or to sell a security in order to create tax losses. A tax loss realized by a U.S. investor after selling a security will be negated if the investor purchases the security within thirty days. Although Breton Hill avoids "wash sales" whenever possible and temporarily restricts securities it has sold at a loss to prevent them, a wash sale can occur inadvertently because of trading by a client in an account not managed as a tax-managed account by Breton Hill. A wash sale may also be triggered by Breton Hill when it has sold a security for loss harvesting and shortly thereafter the firm is directed by the client to invest a substantial amount of cash resulting in a repurchase of the security.
- **Tax Reform Risks.** On December 22, 2017, the President of the United States signed into law new tax legislation, commonly referred to as the Tax Cuts and Jobs Act. Many provisions of the Tax Cuts and Jobs Act are complex and, in certain cases, additional guidance will be necessary to interpret certain of the provisions. Although some U.S. Treasury Regulations and other guidance have been issued, it is expected that further U.S. Treasury Regulations or other guidance will be issued to provide additional clarification. The timing of any such guidance is not known. As a result, the effects that the Tax Cuts and Jobs Act will have on investments in Client Accounts, and on the investment activities of Client Accounts, remain uncertain.
- **Tax Risk.** Tax laws and regulations applicable to a Client Account are subject to change, and unanticipated tax liabilities could be incurred by investors as a result of such changes. A strategy's U.S. federal income tax liability with respect to income and gains on an investment may exceed its overall return for such a year. Further, a strategy may face limitations with respect to its ability to use its allocable share of deductions and losses from its investments in certain securities. The tax treatment of some strategies is uncertain. Investors should consult their own tax advisors to determine the potential tax-related consequences of investing in a Client Account.

- **Terrorism Risk.** Terrorist attacks may lead to increased short-term market volatility and may have long-term effects on United States and world economies and markets. Terrorist attacks also may adversely impact interest rates, auctions, secondary trading, ratings, credit risk, inflation and other factors relating to a Client Account's securities and adversely affect such account's service providers and operations.
- **Valuation Risk.** The price at which a Client Account could sell any particular investment may differ from the Client Account's valuation of the investment. Such differences could be significant, particularly for illiquid securities and securities that trade in relatively thin markets or markets that experience extreme volatility. If market or other conditions make it difficult to value some investments, the Client Account may value these investments using more subjective methods, such as fair value methodologies. For Client Accounts that generate a daily net asset value, such as Sub-Advised Funds, investors who purchase or redeem shares on days when the Sub-Advised Fund is holding fair-valued securities may receive fewer or more shares, or lower or higher redemption proceeds, than they would have received if the Sub-Advised Fund had not fair-valued the securities or had used a different valuation methodology. The value of non-U.S. securities, certain futures and fixed income securities, and currencies, as applicable, may be materially affected by events after the close of the markets on which they are traded but before the Client Account determines its net asset value. A Client Account's ability to value its investments in an accurate and timely manner may be impacted by technological issues or errors by third party service providers, such as pricing services or accounting agents.
- **Credit Risk.** A Client Account could lose money if the issuer or guarantor of a security (including a security purchased with securities lending collateral), or the counterparty to a derivatives contract, is unable or unwilling, or is perceived (whether by market participants, rating agencies, pricing services or otherwise) as unable or unwilling, to honor its obligations. The downgrade of the credit of a security or of the issuer of the security held by the Client Account may lessen its value. Securities are subject to varying degrees of credit risk, which are often reflected in credit ratings.
- **Equity Securities and Equity-Related Instruments:** Client Accounts may invest in equity securities and equity-related instruments, including but not limited to publicly listed equity securities in the U.S. or abroad, privately offered equity securities and financial instruments that may reference a single issuer, a specific sector or a broad equity index. Equity securities represent ownership interests in their respective issuers and generally carry the most risk associated with a specific issuer's capital structure. The price of equity securities and their related financial instruments vary for a variety of reasons, including but not limited to supply and demand of the equity securities, the actual or perceived business opportunities associated with the issuer, the current and potential future cash flow of the issuer, the issuer's management, their ability to execute on a specific business plan, the general economic environment and the outlook for the overall economy. To the extent a Client Account owns an equity security or otherwise has exposure to an equity security or an equity-related financial instrument, this investment carries the risks associated with owning equities and may also carry risks associated with the form of

financial instrument (e.g., options, derivative or securities-based futures contract). Any investment in equities or equity-related instruments entails a significant risk of loss.

- **Fixed-Income Securities.** Fixed-income securities include traditional debt securities issued by corporations, such as bonds and debentures and debt securities that are convertible into common stock and interests. The market value of fixed-income securities is sensitive to changes in interest rates. In general, when interest rates rise, a fixed-income security's market value declines and when interest rates decline, its value rises. Normally, the longer the remaining maturity of a security, the greater the effect of interest rate changes on the market value of the security. In addition, changes in the ability of an issuer to make payments of interest and principal and in the market's perception of an issuer's creditworthiness affect the market value of fixed-income securities of that issuer.

Fixed-income securities may also be subject to yield curve risk. When the yield curve shifts, the price of a bond which was initially priced based on the initial yield curve will change. Yield curve risk is reduced by keeping the duration of the bond portfolio relatively short.

Additionally, fixed-income securities are subject to inflation risk, liquidity risk and reinvestment risk. Inflation risk is the risk that inflation will erode the purchasing power of the cash flows generated by debt securities. Fixed-rate debt securities are more susceptible to this risk than floating rate debt securities. Liquidity risk is the risk that certain fixed income securities may be difficult to sell at the time and at the price the Client account would like, which may cause the Client Account to hold these securities for longer than it would like or to forego other investment opportunities. Reinvestment risk is the risk that cash flow from debt securities will be reinvested at a lower interest rate. A decline in income could affect a Client Account's overall return.

- **Interest Rate Risk.** Interest rates may rise and reduce the market value of an investment. Long-term fixed income securities such as bonds, subject their owners to the greatest amount of interest rate risk. Short terms securities, such as Treasury bills tend to be less influenced by interest rate movements.
- **U.S. Government/Agency Risk.** U.S. Government/Agency Risk is the risk that the U.S. Government will not provide financial support to U.S. Government agencies, instrumentalities or sponsored enterprises if it is not obligated to do so by law. Not all U.S. Government securities are backed or guaranteed by the U.S. Government. Some U.S. Government securities are supported only by the credit of the issuing agency, which depends entirely on its own resources to repay the debt, and are subject to the risk of default. For example, U.S. Government securities issued by the Federal National Mortgage Association ("**Fannie Mae**"), Federal Home Loan Mortgage Corporation ("**Freddie Mac**") and Federal Home Loan Banks may be chartered or sponsored by Acts of Congress, but their securities are neither issued nor guaranteed by the United States Treasury. Therefore, these securities are not backed by the full faith and credit of the United States. The maximum potential liability of the issuers of some U.S. Government securities may greatly exceed their current resources, including their legal right to support from the U.S. Treasury. It is possible that these issuers will not have the funds to meet their payment obligations in

the future. Importantly, the future of the entities is in serious question as the U.S. government continues to consider multiple options, including privatization, consolidation, and abolishment of the entities.

Item 9: Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's or potential client's evaluation of the firm or the integrity of the firm's management in this item. Breton Hill has no items to disclose.

Item 10: Other Financial Industry Activities and Affiliations

A. Registration as a Broker-Dealer or Registered Representative

Breton Hill is not a registered broker or dealer. Most Breton Hill advisory personnel are registered representatives with FINRA through their affiliation with Breton Hill's registered broker-dealer affiliate, NBBD. See Items 5.E and 10.C.1..

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, Commodity Trading Advisor or Associated Person

Breton Hill is registered as a CTA and CPO with the CFTC. Breton Hill is not registered as a Futures Commission Merchant. Certain of Breton Hill's management persons are registered with the NFA as principals or associated persons of Breton Hill or one or more affiliates of Breton Hill (including NBBD, which is registered as a CTA and introducing broker with the CFTC. Notwithstanding such registrations, Breton Hill has and may in the future seek to rely on exemptions from registration as a CPO and CTA with respect to certain accounts and pools that qualify for such exemptions.

C. Material Relationships

Breton Hill currently has certain relationships or arrangements with related persons that are material to its advisory business or its clients. Below is a discussion of such relationships/arrangements, the related conflicts of interest, and issues that present the appearance of a conflict of interest.

1. Broker-dealer, municipal securities dealer, or government securities dealer or broker

Breton Hill is affiliated with NBBD, a U.S. registered broker-dealer. Breton Hill utilizes NBBD to offer certain affiliated Private Funds to investors. Subject to applicable law, NBBD may receive sales commissions in connection with the sale of interests in the Private Funds, which sales commissions may be a portion of Breton Hill's management fee or Performance Fee with respect to such shares or interests. See Item 11.B.3.

In providing investment management services to its clients, Breton Hill may draw upon the research, operational and administrative resources of its affiliated entities. Breton Hill may use security analyses and research reports prepared by its affiliated entities.

Subject to applicable law, employees of affiliates of Breton Hill may also solicit Separate Account clients for Breton Hill. See Item 5.E. and Item 14.B.

The Firm has established policies and procedures reasonably designed to prevent the misuse by the Firm and its personnel of material information regarding issuers of securities that has not been publicly disseminated. See Item 11.D.1.

2. Investment Company or other pooled investment vehicles

Breton Hill acts as an adviser or sub-adviser to the Private Funds where a related party may be a general partner, managing member or the adviser. Breton Hill also acts as sub-adviser to the Sub-Advised Funds.

Neither Breton Hill nor its related persons are obligated to allocate any specific amount of time or investment opportunities to a particular Private Fund or Sub-Advised Fund. Because Breton Hill may receive a Performance Fee in connection with its management of certain Client Accounts, Breton Hill may be incentivized to devote a disproportionate amount of time and resources to those Client Accounts at the expense of other accounts that are charged only a management fee. Breton Hill and its related persons intend to devote as much time as they deem necessary for the management of each account, and will allocate investment opportunities between Private Funds, Sub-Advised Funds and other Client Accounts managed in a similar strategy on an account-by-account basis.

3. Other investment adviser or financial planner

Breton Hill has relationships that are material to its investment management business with the following affiliated investment advisers (the “**Advisory Affiliates**”).

SEC Registered Advisers:

Neuberger Berman Investment Advisers LLC (“**NBIA**”)
Neuberger Berman Asia Limited
Neuberger Berman Europe Limited
Neuberger Berman BD LLC*

Non-SEC-Registered Advisers:

Neuberger Berman Australia Limited

* While NBBD is also registered with the SEC as an investment adviser, it does not currently act as an investment adviser.

In providing services to its Client Accounts, Breton Hill may draw upon the portfolio management, trading, research, operational and administrative resources of the Advisory Affiliates subject, in certain instances, to the written consent of the client. Advisory Affiliates may engage Breton Hill as a subadvisor or, in the case of NBIA, may treat Breton Hill as a “participating affiliate,” in accordance with applicable SEC No-Action Letters. As a subadvisor, investment professionals from Breton Hill may be delegated decision-making roles for some or all aspects of the strategy.

As a participating affiliate, Breton Hill may provide designated investment personnel to associate with NBIA and perform specific advisory services to NBIA consistent with the powers, authority and mandates of NBIA’s clients. The designated investment personnel from Breton Hill are subject to certain NBIA policies and procedures as well as supervision and periodic monitoring by NBIA. As a participating affiliate, Breton Hill agrees, in addition to making available certain of its

employees to provide investment advisory services to NBIA's clients through NBIA, to keep certain books and records in accordance with the Advisers Act and to submit the designated personnel to requests for information or testimony before the SEC. Breton Hill may also be delegated the duty to place orders for certain securities and commodity interest transactions pursuant to an agreement between NBIA and Breton Hill as participating affiliate.

Neither Breton Hill nor its related persons are obligated to allocate any specific amount of time or investment opportunities to a particular Client Account. Breton Hill and its related persons intend to devote as much time as they deem necessary for the management of each Client Account and will allocate investment opportunities on an account-by-account basis. See also Item 6 and Item 11.D.6 with respect to side-by-side management issues.

Breton Hill may act as sub-adviser to certain Separate Account clients of Advisory Affiliates. In addition, Breton Hill may serve as sub-adviser to Non-U.S. Registered Funds and Private Funds advised by Advisory Affiliates.

Certain employees of Advisory Affiliates may provide marketing or client-related services in connection with Breton Hill products.

The views and opinions of Breton Hill, and those of the Advisory Affiliates and their research departments, may differ from one another. As a result, Client Accounts managed by Breton Hill or its Advisory Affiliates may hold securities or pursue strategies that reflect differing investment opinions or outlooks at the time of their acquisition or subsequent thereto. See Item 11.D.6.

From time to time, Breton Hill may send orders to its advisory affiliate, NBIA, and NBIA sends the orders out to broker-dealers for execution. NBIA does not charge any commissions or fees for sending out such orders.

4. Futures commission merchant, commodity pool operator, or commodity trading advisor

NBBD is registered with the CFTC as a CTA and introducing broker ("**Introducing Broker**") and is a member of the NFA. Employees of Breton Hill in their capacity as associated persons of NBBD may solicit prospective investors to invest in Private Funds or Separate Accounts that trade commodity interests and are sponsored or managed by Breton Hill. See Item 10.C.1 and Item 10.C.3 for a description of Breton Hill's relationship with NBBD.

5. Banking or thrift institution

Breton Hill is affiliated with Neuberger Berman Trust Company N.A. and Neuberger Berman Trust Company of Delaware N.A. (together, "**NB Trust Companies**"). NB Trust Companies provide comprehensive fiduciary and wealth management services to high net worth individuals, families and their related entities, including investment management, custody, tax planning and trustee and executor services. In addition, Neuberger Berman Trust Company N.A. provides outsourced Chief Investment Officer (CIO), investment management, custody, and other fiduciary services to institutional clients. For such accounts, NB Trust Companies utilize the investment platform of equity, fixed income and alternative products and strategies of its affiliates (including Breton Hill)

as its primary investment option. Non-affiliated products and strategies are also available on a limited basis and generally as a complement to affiliated offerings. NB Trust Companies' preference for affiliated products and strategies may result in incremental benefits to NB Trust Companies, its affiliates (including Breton Hill) and their respective employees. NB Trust Companies may appoint Breton Hill to manage certain assets of clients of NB Trust Companies.

6. Accountant or accounting firm

None.

7. Lawyer or law firm

None.

8. Insurance company or agency

None.

9. Pension consultant

None.

10. Real estate broker or dealer

None.

11. Sponsor or syndicator of limited partnerships

None.

12. Administrator

None.

D. Selection of Other Investment Advisers
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None.

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

A. Code of Ethics

In order to address conflicts of interest, Breton Hill has adopted a Compliance Manual and the Neuberger Berman Code of Ethics and Code of Conduct (the “**Conflicts Procedures**”). The Conflicts Procedures are applicable to all of Breton Hill’s officers, members, and employees (collectively, “**Employees**”). The Conflicts Procedures generally set the standard of ethical and professional business conduct that the Firm and Breton Hill require of their Employees. The Conflicts Procedures consist of certain core principles requiring, among other things, that Employees: (1) at all times place the interests of clients first; (2) conduct all personal securities transactions in a manner as to avoid any actual or potential conflicts of interest or any abuse of an individual’s position of trust and responsibility; (3) refrain from taking advantage of their positions inappropriately; and (4) at all times conduct themselves in a manner that is beyond reproach and that complies with all applicable laws and regulations.

As discussed below, the Conflicts Procedures include provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts, the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other topics. All Employees must acknowledge the terms of the Code of Ethics when they begin their employment, annually, and when the Code of Ethics is materially amended.

Clients and prospective clients may obtain a copy of the Code of Ethics by contacting a Client Service Representative.

B. Participation or Interest in Client Transactions

Breton Hill may participate or have an interest in client transactions as described below. Breton Hill makes all investment management decisions in its clients’ best interests.

1. *Principal and Agency Transactions*

Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliate, buys from, or sells any security to, an advisory client. For example, a principal transaction would occur if Breton Hill bought securities for its own inventory from a Breton Hill advisory client or sold securities from its inventory to a Breton Hill advisory client.

If Breton Hill, its affiliates or their respective principals own a substantial equity interest in an account managed by the adviser, a transaction involving that account and another client could be characterized as a principal transaction. For example, if Breton Hill, its affiliates or their

respective principals have a substantial equity interest in a Private Fund, the transfer of securities from such Private Fund's account to a Breton Hill Separate Account could be deemed a principal transaction.

A principal transaction presents conflicts of interest which may include the adviser or affiliate earning a fee or earning (or losing) money as a result of the transaction.

Breton Hill and its related persons do not engage in principal transactions with Breton Hill's clients.

An "agency cross transaction" is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Breton Hill does not engage in agency cross transactions.

2. *Cross Transactions*

Cross trades involve the transfer, sale or purchase of assets from one Client Account to another Client Account without the use of a broker-dealer. Breton Hill may engage in cross trading where permissible, if it determines that the cross trade and the conditions for the transaction would be favorable to both Client Accounts and the terms of the transaction are fair to both Client Accounts. For such trades, Breton Hill will not receive transaction-based compensation from the trade. In certain situations, specific consent for each such transaction may be required from both parties to the transaction.

3. *Affiliated Brokers*

Breton Hill is affiliated with NBBD, a U.S. registered broker-dealer, but does not effect any transactions in securities or other instruments for Client Accounts through NBBD. See Item 12.A.

NBBD receives sales commissions in connection with the sale of interests in certain Private Funds. See Item 5.E and Item 10.C.1.

4. *Financial Interests in Securities or Investment Products*

From time to time, employees of Breton Hill's related persons who are registered representatives or associated persons of NBBD, a registered investment adviser and broker-dealer, CTA and Introducing Broker, may recommend to Breton Hill's clients that they buy or sell securities in which Breton Hill or a related person has a financial interest. Such financial interest could include having a business relationship (whether client, broker, vendor or investment consultant) or serving as investment adviser, general partner, managing member or director for a particular investment product. Furthermore, Breton Hill may invest Client Accounts in securities or other assets of companies with which Breton Hill or its affiliates has a business relationship, whether client, broker, vendor or investment consultant. In such instances the purchase or sale of a security either recommended or directed by Breton Hill may have an impact on the price of such security, which may indirectly benefit (or act to the detriment of) its affiliates. Breton Hill is a

minority owner of Purpose Investments and certain officers of Breton Hill have an indirect economic interest in Purpose Investments.

Breton Hill's policies and procedures together with its investment process seek to ensure that all accounts are managed in accordance with their investment objectives and guidelines and in accordance with Breton Hill's fiduciary obligations.

5. *Employee Investment in Breton Hill Products*

Employees of Breton Hill or its affiliates may be investors in Private Funds or Non-U.S. Registered Funds managed by Breton Hill or an affiliate. Any such investments are made in conformity with the Conflicts Procedures (see below) that include procedures governing the use of confidential information and personal investing. Breton Hill and its affiliates also maintain Separate Accounts for employees. The Firm maintains a policy that prohibits "insider accounts" that do not pay investment advisory fees from receiving a more favorable execution price than that received on the same day by Client Accounts. The Firm may reduce or waive investment advisory fees and performance fees/incentive allocations/carried interest for employees. See also Item 11.C.

6. *Buying and Selling Securities That Are Recommended to Clients*

Breton Hill may recommend to clients investments in which Breton Hill, its affiliates or their respective employees are also invested. See Item 11.B.5.

Breton Hill may also recommend securities to clients in which a related person has established an interest independent of Breton Hill. Breton Hill may purchase and sell securities for Client Accounts that the Firm, its affiliates or their respective employees have seeded.

Breton Hill provides investment advisory services to various clients which may differ from the advice given, or the timing and nature or action taken, with respect to any one account. Breton Hill, its affiliates and their respective employees (to the extent not prohibited by the Code of Ethics), and clients of Breton Hill or its affiliates may hold, acquire, increase, decrease, or dispose of securities or interests at or about the same time that Breton Hill is purchasing or selling securities or interests for a Client Account which are or may be deemed to be inconsistent with the actions taken by such persons.

All such investments are made in conformity with the Conflicts Procedures.

7. *Securities Trades during an Underwriting Syndicate*

Breton Hill and its advisory affiliates do not participate as members of underwriting syndicates.

C. Personal Trading

Breton Hill, or one or more of its affiliates, including employees, from time to time, may invest for their own account in equity, fixed income, derivatives or other investments in which Breton Hill may also invest on behalf of Client Accounts. Moreover, Breton Hill and its affiliates and their respective employees may buy, sell or hold securities while entering into different investment

decisions for one or more Client Accounts. Many of the conflicts that exist with respect to the investment by Breton Hill and its affiliates and their respective employees in investments in which Breton Hill also invests on behalf of certain Client Accounts are similar to those that exist with respect to side-by-side management of Client Accounts. See also Item 10.C.3 and Item 11.D.6. All investments by Breton Hill and its affiliates and their respective employees are made in accordance with the Firm's policies. All such investments are made in accordance with the Conflicts Procedures.

From time to time, Breton Hill and its affiliates and their respective employees may participate directly or indirectly in Private Fund investments to the extent permitted by the terms of the applicable Private Fund's governing documents. Such participation in each investment will be on substantially the same terms and conditions as provided for in the Offering Documents of the Private Funds. The sale or disposition by Breton Hill, its affiliates or their respective employees must also be consummated in accordance with internal policies and applicable law.

It is the Firm's policy to monitor and in some cases prohibit personal securities transactions for Breton Hill, its affiliates and their respective employees. The Conflicts Procedures contain employee trading policies and procedures that are closely monitored by the Legal and Compliance Department. Key aspects of the employee trading policies and procedures include:

- (a) a requirement for securities accounts to be maintained at NBBD or other approved entities;
- (b) an employee price restitution policy;
- (c) prohibitions against employee participation in certain IPOs;
- (d) prohibitions against trading on the basis of material non-public information;
- (e) pre-approval requirements for certain security transactions such as private placement offerings;
- (f) a minimum holding period of 30 days for most personal securities transactions; and
- (g) annually affirming in writing that (i) all reportable transactions occurring during the year were reported to the Firm; (ii) all reportable positions were disclosed; (iii) all newly opened securities accounts or private placements were disclosed; and (iv) the employee has read, understood and complied with the Code of Ethics.

The price restitution policy attempts to address the potential conflict that could arise from employees owning the same securities as clients, or where the accounts of both enter the market at the same time. Subject to certain exclusions, employee trades that are executed on the same day and in the same security as a Client Account are reviewed to ensure that the employee does not receive a better price than the client. In the event that the employee does receive a better price, the employee's price is "switched" to that of the client's and the cash difference in the execution price is disgorged from the employee account. Disgorged proceeds are often allocated to client accounts in the form of revised execution prices. In some instances, however, a revised execution price may, for operational reasons beyond Breton Hill's control, not be feasible and the proceeds will either be remitted to Client Accounts or donated to charity.

As stated in the Conflicts Procedures, it is the policy of Neuberger Berman for its SEC-registered advisers to prohibit insiders, that is, the employees of such advisers and certain of their close

relatives, from effecting transactions in anticipation of transactions in such securities by Client Accounts.

D. Other Conflicts of Interest

1. *Material Non Public Information/Insider Trading*

The Firm has implemented policies and procedures, including certain information barriers within the Firm (the “**MNPI Procedures**”), that are reasonably designed to prevent the misuse by the Firm and its personnel of material information regarding issuers of securities that has not been publicly disseminated (“**material non-public information**”). The MNPI Procedures are designed to be in accordance with the requirements of the Advisers Act and other federal securities laws. In general, under the MNPI Procedures and applicable law, when the Firm is in possession of material non-public information related to a publicly-traded security or the issuer of such security, whether acquired unintentionally or otherwise, neither the Firm nor its personnel are permitted to render investment advice as to, or otherwise trade or recommend a trade in, the securities of such issuer until such time as the information that the Firm has is no longer deemed to be material or non-public.

In the ordinary course of operations, certain businesses within the Firm may seek access to material non-public information.

The MNPI Procedures address the process by which material non-public information may be acquired intentionally by the Firm and shared between different businesses within the Firm. When considering whether to acquire or share material non-public information, the Firm will attempt to balance the interests of all clients, taking into consideration relevant factors, including the extent of the prohibition on trading that may occur, the size of the Firm’s existing position in the issuer, if any, and the value of the information as it relates to the investment decision-making process. The intentional acquisition of material non-public information may give rise to a potential conflict of interest since Breton Hill may be prohibited from rendering investment advice to clients regarding the public securities of such issuer and thereby potentially limiting the universe of public securities that Breton Hill may purchase or potentially limiting the ability of Breton Hill to sell such securities. Similarly, where the Firm declines access to (or otherwise does not receive or share within the Firm) material non-public information regarding an issuer, Breton Hill may base its investment decisions with respect to assets of such issuer solely on public information, thereby limiting the amount of information available to Breton Hill in connection with such investment decisions. In determining whether or not to elect to receive material non-public information, the Firm will endeavor to act fairly to its clients as a whole. The Firm reserves the right to decline access to material non-public information, including declining to join a creditors or similar committee even if that committee relates to a position held in Client Accounts.

2. *Gifts/Gratuities/Entertainment*

Generally, Firm employees, wherever located, are prohibited from providing business gifts or entertainment that are excessive or inappropriate or intended to inappropriately influence recipients.

Subject to applicable law, the Firm allows personnel to provide limited business gifts and entertainment to personnel/representatives of clients or prospective clients as detailed in the Firm's policies and procedures. However, the Firm prohibits providing business gifts or entertainment that are excessive or inappropriate or intended to cause such personnel/representatives to act against the best interests of their employer, the client they represent or those to whom they owe a fiduciary duty.

In addition to the above prohibitions, the Firm imposes restrictions on providing gifts and entertainment to particular types of clients or client representatives, such as public officials at all levels and representatives of U.S. Labor Organizations. The Firm's Global Anti-Corruption Policy and Procedures also sets forth rules governing certain gifts and entertainment and imposes pre-approval or reporting requirements. Furthermore, other public, as well as private, institutions may have their own internal rules regarding the acceptance of gifts or entertainment by their personnel and other representatives. Neuberger Berman personnel are reminded to be aware that institutions with whom they deal may have certain additional restrictions.

In addition to these requirements, which apply to all Firm personnel, different regions may have regulatory rules and requirements relating to business gifts and entertainment specific to their region. Separate Firm policies and procedures specify how personnel subject to these requirements are to comply with them.

Accepting gifts or entertainment from clients, prospective clients, employees or agents of clients, outside vendors, suppliers, consultants, and other persons or entities with whom the Firm does business may also create actual or apparent conflicts of interest. Subject to applicable law, the Firm does not prohibit personnel from accepting all business-related gifts or entertainment. However, neither Firm personnel, immediate family members, nor other household members may accept any gift or entertainment that is significant in value or impairs, or appears to impair, employee ethics, loyalty to the Firm, or ability to exercise sound judgment. Furthermore, Firm personnel may not accept gifts or entertainment that are, or may be perceived as being, compensation from someone other than the Firm. Firm personnel may not solicit gifts or entertainment, and may not give any gifts or entertainment to anyone who solicits them.

3. *Political Contributions*

Due to the potential for conflicts of interest, the Firm has established policies and procedures relating to political activities which are designed to comply with applicable U.S. federal, state and local law. Each employee is required to seek preapproval before the employee, the employee's spouse or domestic partner, the employee's dependent children or any other person that the employee materially supports (where any such person is either a U.S. citizen or a green card holder) makes any political contribution or engages in other political activities, including volunteering or fundraising for a campaign.

4. *Outside Business Activities*

Certain types of outside affiliations or other activities may pose a conflict of interest or regulatory concern to the Firm. Therefore, the Firm prohibits certain activities, and requires employees to disclose outside activities and affiliations to the Firm in writing so that responsible personnel may assess the compatibility of the outside affiliation or activity with their role at the Firm. “Outside affiliations” include relationships in which Neuberger Berman personnel serve as an employee, director, officer, partner or trustee of a public or private organization or company other than the Firm (paid or unpaid), including joint ventures, portfolio investment companies, non-profit, charitable, civic or educational organizations. Those relationships may or may not be related to employment with the Firm. Employees registered in the U.S. may also have to update their regulatory filings to reflect outside affiliations. Generally, Firm employees do not have to disclose affiliations that involve little or no personal responsibility or exposure on their part and have minimal potential for adversely affecting the Firm’s image or creating conflicts of interest. Firm personnel are not required to disclose affiliations of family members unless they are aware that an immediate family member’s affiliation with a company or organization may result in a conflict of interest between the employee and the Firm or the employee and a client of the Firm.

Firm personnel are generally prohibited from being employed by another company or from engaging in other activities that could interfere or conflict with their service at the Firm. Firm personnel are prohibited from being employed by, or serving on a board or in an advisory position with, any public company or with other firms in the financial services industry. Furthermore Firm personnel are prohibited from entering into independent non-Firm related business relationships with clients, vendors, or co-workers. Exceptions to these prohibitions, which may include serving in a board or advisory position as a fiduciary to certain Client Accounts, such as a Private Fund, may only be made in writing on a case-by-case basis by the Legal and Compliance Department.

Firm personnel may serve, under certain limited circumstances, as an executor, trustee, guardian or conservator, with prior approval from the Legal and Compliance Department, irrespective of whether such service is personal in nature. Brokerage accounts under control of the employee as a result of their service as an executor, trustee, guardian or conservator must be disclosed in accordance with the Firm’s Code of Ethics, even if the relationship is personal. The Firm generally permits employees to engage in philanthropic, charitable or other similar pursuits, subject to certain limitations and with prior approval from the Legal and Compliance Department.

5. *Outsourcing/Service Providers*

The Firm conducts appropriate due diligence on outsourced service providers and vendors (“**Third-Party Vendors**”) that provide products or services to the Firm and enters into an appropriate contract. When hiring Third-Party Vendors, Breton Hill has an incentive to choose vendors at the lowest possible cost to Breton Hill or Third-Party Vendors that provide other financial incentives (e.g. potentially referring clients to Breton Hill or its affiliates). The Firm’s relationships with outside vendors are managed so that appropriate controls and oversight are in place to protect the Firm’s interests, including safeguarding of private and confidential information regarding the Firm’s clients and employees.

6. *Side-by-Side Management of Different Types of Accounts*

Breton Hill and its employees may have differing investment or pecuniary interests in different Client Accounts managed by Breton Hill, and Breton Hill employees may have differing compensatory interests with respect to different Client Accounts.

Breton Hill and its employees face a potential conflict of interest when (i) the actions taken on behalf of one Client Account may impact other similar or different Client Accounts (e.g., where Client Accounts have the same or similar investment strategies or otherwise compete for investment opportunities, have potentially conflicting investment strategies or investments (including where the negotiation of a purchase of securities from an issuer for some Client Accounts negatively impact other securities issued by the same issuer held in other Client Accounts, or the holdings of some Client Accounts cause Breton Hill to refrain from recommending or making certain investments or to be limited by law, courts or otherwise in the actions it can recommend or take on behalf of other Client Accounts), or have differing ability to engage in short sales and economically similar transactions) or (ii) Breton Hill and its employees (and the affiliated advisers and their employees) have differing interests in certain Client Accounts (e.g., where Breton Hill or its related persons are exposed to different potential for gain or loss through differential ownership interests or compensation structures or where Breton Hill or its employees have determined where to dedicate their time and resources) because Breton Hill and its related persons have an incentive to favor certain accounts over others (e.g. Breton Hill and its related persons could favor more profitable accounts, accounts of larger clients, or accounts of clients from whom they are seeking additional business). Such conflicts may present particular concern when, for example, Breton Hill places securities transactions that Breton Hill believes could more likely result in favorable performance, engages in cross trades or executes potentially conflicting or competing investments.

Breton Hill, on behalf of different Client Accounts, may make investments in different parts of an issuer's capital structure (e.g., equity or debt, or different positions in the debt structure, which may include situations where a single portfolio manager invests in different parts of an issuer's capital structure for its Client Accounts. As a result, or as part of the negotiations of certain terms prior to the purchase of a security, Breton Hill could pursue rights or privileges with respect to an issuer that has, or could have, an adverse effect on some of its Clients Accounts. Conflicts may arise over items such as whether to make an investment, exercise certain rights, or take an action, proxy voting, corporate reorganization, how to exit an investment, or bankruptcy or similar matters (including, for example, whether to trigger an event of default or the terms of any workout). Similarly, if an issuer in which one or more Client Accounts (or Affiliate Accounts) hold different classes of securities (or other assets, instruments or obligations issued by the same issuer) encounters financial problems, decisions over the terms of any workout may raise conflicts of interest (e.g., conflicts over proposed waivers and amendments to debt covenants or strategies to be pursued in bankruptcy proceedings).

For example, a debt holder may be better served by a liquidation of the issuer in which it may be paid in full, whereas an equity or junior bond holder might prefer a reorganization that holds the potential to create value for them. Breton Hill may (i) refrain from taking certain actions or making certain investments, or may sell investments on behalf of clients in order to avoid or

mitigate certain conflicts of interest, or (ii) be limited (by applicable law, courts or otherwise) in positions or actions it will be permitted to take, which, in each case, could have the potential to disadvantage the clients on whose behalf the actions are not taken, investments not made, or investments sold. In other cases, Breton Hill may not refrain from taking actions or making investments on behalf of certain Clients that have the potential to disadvantage other Clients. Moreover, if Client Accounts are invested in different levels of an issuer's capital structure, Breton Hill may acquire material nonpublic information, including where it has representatives on the issuer's board of directors or the creditors' committee - see Item 11.D.1). To mitigate these conflicts, Breton Hill's policies and procedures seek to ensure that investment decisions are made in accordance with the fiduciary duties owed to Client Accounts and that Breton Hill and its advisory personnel do not place their own interests ahead of the interests of its client. Breton Hill has policies and procedures designed to allocate investment opportunities fairly among Client Accounts.

In addition, certain side-by-side managed accounts or portfolios could create additional conflicts. For example, from time to time, Breton Hill, on behalf of different Client Accounts, could acquire both long and short positions in securities of an issuer (i.e., "long/short" strategies). A short sale involves the sale of a security that the acquirer does not own in the expectation of purchasing the same security (or a security exchangeable therefore) at a later date at a lower price. To make delivery to the buyer, the acquirer must borrow the security, and the acquirer is obligated to return the security to the lender, which is accomplished by a later purchase of the security by the acquirer. In contrast to taking a long position in a security, when a manager sells a security short, he/she is typically doing so with the expectation that the security will decline in value. Depending on a number of conditions, including the security's liquidity and general economic conditions, shorting a security may also have the added consequence of adversely impacting its market price. As a result, managers who manage long/short products may have potential conflicts of interest were they short a security in which they were also long for another client or in another product. Breton Hill has adopted policies and procedures that would permit such transactions, under certain limited circumstances. For example, where sufficient liquidity exists in the market and where certain client's positions in a particular security have yet to achieve long-term tax treatment, but the manager is otherwise pre-disposed to shorting that security, the manager may be permitted to engage in such transaction.

The views and opinions of Breton Hill, its portfolio managers and other employees and those of its affiliates and research departments may differ from one another, as well as from their respective Chief Investment Officers, the Firm's Asset Allocation Committee and the Neuberger Berman Investment Strategy Group. As a result, products managed by Breton Hill or its affiliates may hold securities or pursue strategies that reflect differing investment opinions or outlooks at the time of their acquisition or subsequent thereto.

Item 12: Brokerage Practices

A. Criteria for Selection of Broker-Dealers

In General—Brokerage Selection

With respect to those Client Accounts for which Breton Hill has discretion to purchase and sell securities and to select the broker-dealer, Breton Hill looks to the overall quality of service provided by the broker and will consider many factors when making a selection for execution. It is Breton Hill's policy to seek the best execution of client trades considering all the relevant circumstances. Traders will consider the price, size of the transaction, liquidity of both the security and the market, the broker's ability to provide or find liquidity, time limitations, and confidentiality of the transaction. In addition, Breton Hill may consider research and other services in making brokerage decisions (See "*Research and Other Soft Dollar Benefits*" in this Item 12.A). Accordingly, Client Accounts could be able to obtain more favorable brokerage commission rates elsewhere. Breton Hill will also utilize electronic trading networks when they can provide liquidity and price improvement over and above what is available through traditional methods for execution.

Breton Hill may select one or more firms to serve as prime broker ("**Prime Broker**") to hold the funds and securities of certain Private Funds, and certain Separate Accounts may establish a prime-brokerage relationship. The Prime Broker may also execute transactions on behalf of Private Funds and Separate Accounts, consistent with the principles of best execution. Specific trades may be "traded away," where trades are executed through brokers other than the Prime Broker in order to gain access to greater inventory or better price or execution. Breton Hill may also select Prime Brokers it believes will provide specific services beneficial to a Private Fund, allowing the Private Fund to operate more effectively and efficiently by, for example, providing Breton Hill with electronic access to account information and trade confirmations and bulk mailing of statements to investors.

Research and Other Soft Dollar Benefits

Soft dollars refers to the practice of using a portion of the commissions generated when executing client transactions to acquire research and brokerage services from broker-dealers. In general, Breton Hill's soft dollar activity relates to its equity trading; Breton Hill does not generally direct soft dollar credits for fixed income transactions to individual brokers or dealers on behalf of its clients.

Use of Soft Dollars: Breton Hill may consider research and other services in making brokerage decisions and, as it deems appropriate, may use a portion of the commissions generated when executing client transactions (commonly referred to as "soft dollars") to acquire research and brokerage services ("**soft dollar benefits**") in a manner consistent with the "safe harbor" provided by Section 28(e) of the Securities Exchange Act of 1934, as amended. Under the safe harbor, as it has been interpreted by the SEC, Breton Hill may use soft dollars to pay for soft dollar benefits, even where such benefits may also be available for cash, to the extent appropriate and

permitted by law and other global jurisdictional requirements, when such benefits assist Breton Hill in meeting clients' investment objectives or in managing Client Accounts.

The use of soft dollars to receive research and services benefits Breton Hill by allowing Breton Hill, at no cost to it, to (i) supplement and enhance its own research and analysis activities, (ii) receive the views and information of individuals and research staff of other securities firms, and (iii) gain access to persons having special expertise on certain companies, industries, areas of the economy and market factors. Subject to Breton Hill's policies and procedures, Breton Hill takes into account the value of permissible soft dollar benefits provided by a broker-dealer, as long as such consideration is not inconsistent with the objective of seeking best execution for client transactions, and clients may pay a higher commission to a broker-dealer in recognition of such soft dollar benefits than might otherwise be obtained in the absence of such considerations.

When appropriate under its discretionary authority and consistent with the duty to seek best execution, Breton Hill may select broker-dealers who provide Breton Hill with useful soft dollar benefits and may pay to those broker-dealers an amount or rate of commission that is higher than might have been paid absent the receipt of soft dollar benefits. Breton Hill may select broker-dealers based on its assessment of each broker-dealer's ability to provide quality executions and its belief that the research, information and other services provided by such broker-dealer may benefit Client Accounts. Often, it is not possible to place a dollar value on the quality of executions or on the soft dollar benefits Breton Hill receives from broker-dealers effecting transactions in portfolio securities. Accordingly, broker-dealers selected by Breton Hill may be paid commissions for effecting portfolio transactions for Client Accounts in excess of amounts other broker-dealers would have charged for effecting similar transactions, if Breton Hill determines in good faith that such amounts are reasonable in relation to the value of the soft dollar benefits provided by those broker-dealers, viewed either in terms of a particular transaction or Breton Hill's overall duty to discretionary accounts.

In some instances, Breton Hill may obtain a product or service that is used, in part, by Breton Hill for Section 28(e) eligible purposes and, in part, for other purposes. In such instances, Breton Hill will make a good faith effort to determine the relative proportion of the product or service used to assist it in carrying out its investment decision-making responsibilities and the relative proportion used for administrative or other purposes outside Section 28(e). Such determination will be made based on the actual use of the product or service by Breton Hill's personnel. The proportion of the product or service attributable to assisting Breton Hill in carrying out its investment decision-making responsibilities will be paid through brokerage commissions generated by Client Account transactions and the proportion attributable to administrative or other purposes outside Section 28(e) will be paid for by Breton Hill from its own resources. The determination by Breton Hill of the appropriate allocation of "mixed use" products and services creates a potential conflict of interest between the Breton Hill and the Client Accounts.

In commission sharing arrangements, Breton Hill may effect transactions, subject to best execution, through a broker and request that the broker allocate a portion of the commission or commission credits to a segregated "research pool" maintained by the broker. Breton Hill may then direct such broker to pay for eligible products and services. Participating in commission sharing arrangements enable Breton Hill to (1) strengthen its key brokerage relationships; (2)

consolidate payments for eligible products and services; and (3) continue to receive a variety of high quality eligible products and services while facilitating best execution in the trading process.

Breton Hill also may, but is not obligated to, pay cash for soft dollar items.

Allocation of Soft Dollar Research: Research obtained with soft dollars will not always be utilized by Breton Hill for the specific Client Account or Client Accounts that generated the soft dollars. It should be noted that the value of many soft dollar benefits cannot be measured precisely, and commissions paid for such services cannot always be allocated to Client Accounts in direct proportion to the value of the services to each Client Account.

A factor in the allocation of brokerage is Breton Hill's evaluation of the quality of the brokers' research, meaning the extent to which such brokerage benefits some or all Client Accounts. For purposes of evaluating such research, points are awarded in several categories and the allocation to brokerage business is made based upon the number of points each broker receives. Research is often received on an unrequested basis from brokers who are not awarded points. Often research received from others is not used. Brokers who are not being awarded points for research are nonetheless sometimes used in the interest of securing best execution.

Commissions paid by one Client Account would, in effect, subsidize services that benefit another Client Account. However, any distortions should balance out over time as Breton Hill believes that its various sources of research and brokerage services enable Breton Hill to make better investment decisions and execute more effective trades. Therefore, Breton Hill does not usually attempt to allocate the relative costs or benefits of research or brokerage services among Client Accounts. Certain clients' ability to pay for expenses through soft dollars may be limited by laws or regulations such as the restrictions under MiFID II. Although the Firm makes efforts to ensure that the clients are treated equally when it comes to bearing these expenses, these legal restrictions could result in clients who are not subject to the legal restrictions paying more commissions for soft dollars than similar situated clients who are subject to such legal restrictions. As part of the efforts to fairly distribute soft dollar expenses, each portfolio management team sets a budget estimating the spending on research for the team over the upcoming quarter that is monitored against the research commissions generated by that portfolio management team's clients. Breton Hill believes that, in the aggregate, the services it receives benefit clients and assists Breton Hill in fulfilling its overall fiduciary duty to clients.

From time to time, Breton Hill receives directives from certain clients to make a "best effort" attempt to transact business with a client-designated broker in consideration of services received solely by that client from the broker. In such instances, only the particular client's own soft dollars are used. Unless contrary written instructions are provided by the client, primary consideration is still given to seeking best execution of such transactions.

Types of Soft-Dollar Products and Services: Research services provided by a broker-dealer can be either proprietary (created and provided by the broker-dealer, including tangible research products as well as access to analysts and traders) or third party (created by a third party but provided by the broker-dealer). Breton Hill may use soft dollars to acquire either type of research and any permissible brokerage services. Breton Hill has received the following soft-dollar

products and services during the last fiscal year: current and historical data concerning particular companies, industries and the financial economy as a whole, as well as information and analysis thereof, technical and statistical studies and data dealing with various investment opportunities, risks and trends, and analysis involving special situations.

Directed Brokerage for Soft Dollar Services: In limited circumstances, Breton Hill may enter into an agreement or understanding with a broker-dealer that would obligate Breton Hill to exclusively direct a specific amount of brokerage transactions or commissions to the broker-dealer in return for research (or brokerage) services. In some cases, Breton Hill may enter into a commission sharing arrangement pursuant to which soft dollars generated are held in an account for the benefit of Breton Hill, and credits from that account may be used to acquire soft dollar items.

Brokerage for Client Referrals

From time to time, Breton Hill may participate in capital introduction programs arranged by broker dealers, including firms that serve as prime brokers to a pooled investment vehicle managed by Breton Hill or recommend these pooled investment vehicles as an investment to investors. Breton Hill may place Client Account portfolio transactions with firms who have made such recommendations or provided capital introduction opportunities if Breton Hill determines that it is otherwise consistent with seeking best execution. In no event will Breton Hill select a broker-dealer as a means of remuneration for recommending Breton Hill or any other product managed by Breton Hill (or an affiliate) or affording Breton Hill with the opportunity to participate in capital introduction programs.

Directed Brokerage; Selection of Brokers

Certain clients of Breton Hill may elect to use a specific broker-dealer for securities transactions in their account. To the extent Breton Hill is required to direct some or all of the trades for such account to a specific broker-dealer, Breton Hill does not have any role in, and does not have any responsibility for, client's selection of this broker-dealer. Breton Hill does not have any control over the broker's services, including commissions charged by such broker, and the nature and quality of executions provided by such broker. As such, Breton Hill cannot ensure in any given transaction for an account where the client has directed the use of a specific broker that it will be able to obtain the best price. For example, Breton Hill may elect to purchase a security on behalf of certain of its Separate Accounts at a broker that Breton Hill believes can execute the trade faster than the broker selected by the client for its account. The purchase of the security for the undirected Separate Accounts could raise the price of the security before the broker for the directed account could execute its purchase of the security. This price impact could result in the directed brokerage account paying more than it otherwise would have had the account's order been purchased by the same broker as the other Separate Accounts.

To the extent a client elects to use a specific broker-dealer for securities transactions in its account, but Breton Hill retains discretion in selecting the broker-dealer, Breton Hill will endeavor to use the selected broker but generally has no obligation to use the broker-dealer if, in Breton Hill's judgment, the use of the broker-dealer would not be consistent with Breton Hill's fiduciary obligations to obtain best execution or where Breton Hill is not confident of the selected broker-

dealer's execution capability for a particular transaction. Breton Hill does not accept any responsibility for not using the broker selected by a client on any such transactions in which Breton Hill does not allocate the brokerage to that broker. Breton Hill may use step outs for client recapture purposes in order to mitigate dispersion and achieve best execution.

Other Fees in Connection with Trading

In an effort to achieve best execution of portfolio transactions, Breton Hill may trade securities for client accounts by utilizing alternative trading systems. Some alternative trading systems may impose additional service fees or commissions. Those fees will be (i) paid by Breton Hill directly to the provider of the services, (ii) included in the execution price of a security or (iii) where applicable, billed directly to the Client Account associated with the trading activity. Breton Hill's intention is that it will only use alternative trading systems and incur their fees if it believes that doing so helps it to achieve best execution for the applicable transaction, taking into account all relevant factors under the circumstances. For example, Breton Hill may consider the speed of the transaction, the price of the security, the research it receives and its ability to effect a block transaction.

Trade Errors

Trade errors can result from a variety of situations involving portfolio management (e.g., inadvertent violation of investment restrictions) and trading (e.g., miscommunication of information, such as wrong number of shares, wrong price, wrong account, calling the transaction a buy rather than a sell and vice versa, etc.) (collectively, "**Error Trades**"). In situations where correcting an Error Trade would result in Breton Hill bearing financial losses, Breton Hill has an incentive to ignore or understate the Error Trade. However, Breton Hill has adopted policies and procedures for correcting Error Trades. The policies and procedures require that all Error Trades affecting a Client Account be resolved promptly and fairly. Under certain circumstances, the policy provides that trades may, where appropriate, be cancelled or modified prior to settlement. The intent of the policy is to reasonably assure that, if an Error Trade results in a Client Account being in a worse financial position, the Client Account is restored to the appropriate financial position considering all relevant circumstances surrounding the error.

B. Aggregation of Orders/Allocation of Investment Opportunities

Breton Hill generally does not purchase or sell the same security for many Client Accounts contemporaneously and using the same executing broker. Breton Hill does not aggregate orders for the purchase or sale of the same security. Rather, Breton Hill applies different quantitative models for different Client Accounts based on that Client Account's investment objective. The quantitative models and parameters associated with those quantitative models generally determine whether Breton Hill will buy or sell a particular financial instrument. Additionally, Breton Hill generally seeks to execute orders at the close of any particular market, and therefore, orders across multiple Client Accounts tend to be executed at the same time and receive identical

or substantially similar prices (e.g., in many equity markets, market participants can place an order for and receive the closing price of an equity on a particular exchange).

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The Legal and Compliance Department, in conjunction with the Firm's Asset Management Guideline Oversight group ("**AMGO**"), is responsible for monitoring and interpreting the Firm's policies. Any exceptions to the Firm's policies require the prior approval of the Legal and Compliance Department.

Item 13: Review of Accounts

A. Periodic Reviews

Breton Hill's portfolio managers review accounts on a periodic basis, consistent with an account's needs. Certain accounts may require daily review, while others may require less frequent review. In reviewing accounts, portfolio managers take into consideration both client objectives and goals, and the manager's investment thesis for the total portfolio, as well as for particular securities and other assets.

Portfolio managers and traders are responsible for ensuring that the portfolio is in compliance with internal guidelines, as well as guidelines established by the client. As such, the investment professionals responsible for trading are the first step in maintaining compliance with investment guidelines and investment policy. Because portfolio managers can access online portfolio data, which is updated daily for each portfolio, they are able to "drill down" from sector to individual security in order to assess compliance with client guidelines.

While Breton Hill looks to the portfolio managers as the first step in the compliance process, Breton Hill recognizes the need for additional, independent oversight. The Firm's Asset Management Guideline Oversight group ("AMGO") serves as an independent supervisory group responsible for ensuring that portfolios are managed in accordance with client investment guidelines, and, among other things, reviews daily option trading. In addition, members of Firm's Asset Management Business Control group ("AMBC") review, among other things, new account forms for suitability and account update forms including changes to investment objectives.

In addition to the practices outlined above, the Firm's Legal and Compliance Department reviews transactions for possible conflicts and adherence to the Code of Ethics and regulatory obligations, on a daily basis. This includes reviews of trade data and exception reports, which are generally conducted by one of several compliance analysts. Topics covered in the review include front running and trading on the basis of material, non-public information.

B. Non-Periodic Reviews

Other than the periodic review of accounts described above, certain account anomalies may trigger non-periodic reviews of Client Accounts.

Except as specifically provided above or otherwise agreed with a customer, Breton Hill does not provide any on-going or periodic review, follow-up or monitoring of Client Accounts.

C. Client Reports

Separate Accounts— Breton Hill will provide periodic reports to its Separate Account regarding the status of their accounts based on the needs of the individual client. Such reports may vary among client accounts based on size and type of account or client. Clients will generally also receive reports from their respective custodians no less frequently than quarterly. When required by the client, confirmations are sent to such client on the next business day following the execution of a transaction in the client's account. Statements are also sent each month in which there is activity in the account. In addition to the reports described above, clients may periodically meet with their Breton Hill representative.

Private Funds— Investors in Private Funds receive such reports as described in the Private Fund's Offering Documents (or as otherwise negotiated with Breton Hill). Generally, annual audited financial statements of the Private Fund will be prepared in accordance with U.S. Generally Accepted Accounting Principles ("**GAAP**") and distributed to investors. Investors may also receive monthly or quarterly reports containing information on the Private Fund's portfolio holdings, valuation of their interests in the Private Fund and cash distributions. These reports may include or be accompanied by information with respect to the performance of the Private Fund, other information about the investor's account and general market information. Private Fund investors will also receive certain tax-reporting information (e.g., Form K-1).

Sub-Advised Funds— Breton Hill coordinates with the investment adviser to the Sub-Advised Funds to provide periodic reviews and reporting as required. Clients and investors in a Sub-Advised Fund receive such reports as required by the investment adviser as provided in the applicable sub-advisory agreement and as required by applicable law or regulation.

Sub-Advised Separate Accounts - Breton Hill coordinates with the investment adviser to the Sub-Advised Separate Accounts to provide periodic reviews and reporting as required. Sub-Advised Separate Account clients receive such reports as required by the investment adviser as provided in the applicable sub-advisory agreement and as required by applicable law or regulation.

Item 14: Client Referrals and Other Compensation

A. Compensation by Non-Clients

Not Applicable.

B. Compensation for Client Referrals

Subject to applicable law, certain employees of Breton Hill and its affiliates are eligible to earn an account referral commission for referring a potential client to Breton Hill that engages Breton Hill to provide investment management services. In addition, from time to time, in accordance with applicable law, Breton Hill may retain and compensate third parties for introducing new clients to Breton Hill. See Item 5.E.

From time to time, in accordance with applicable law, Breton Hill may enter into referral arrangements with third parties and other financial intermediaries for the purpose of introducing new investment advisory clients to Breton Hill. Under these referral arrangements all referral parties are independent contractors and the compensation paid to such parties generally represents a percentage of the management and Performance Fees (if any) paid by the client to Breton Hill. Clients may pay a higher fee than they would otherwise pay due to the referring party's involvement in the introduction. . Referral arrangements may give rise to potential conflicts of interests given that the referring party has a financial incentive to introduce new investment advisory clients to Breton Hill. Breton Hill's participation in these referral arrangements does not diminish its fiduciary obligations to its clients. Consistent with its obligations under the Advisers Act and NI 31-103, Breton Hill provides disclosures for the referral parties to distribute to potential clients relating to the applicable referral arrangement.

Additionally, from time to time, Breton Hill may participate in capital introduction programs arranged by broker-dealers, including firms that serve as prime brokers to a Private Fund managed by Breton Hill. See Item 12 above.

Item 15: Custody

Separate Accounts and Sub-Advised Separate Accounts

Generally, none of Breton Hill nor its affiliates will maintain physical possession of the funds, securities or assets that a client maintains in a Separate Account. The assets in a Separate Account typically are deposited with a custodian selected by the client. Under the investment management agreement, Breton Hill generally invoices the Separate Account client and the client directs its qualified custodian to pay Breton Hill. The custodian will send monthly account statements directly to the client. Clients should carefully review those statements. Breton Hill provides monthly account statements to its clients. Clients should carefully read and compare any account statements received from Breton Hill against account statements received from their custodian.

Private Funds

Neither Breton Hill nor its affiliates will maintain physical possession of the funds, securities or other assets of any Private Fund. Physical custody of the assets of a Private Fund will be maintained with a custodian selected by Breton Hill, an affiliate or the third-party adviser to such Private Funds (as applicable), in its exclusive discretion, which selection may change from time to time generally without the consent of investors in the Private Fund.

Certain Private Funds have “prime brokerage” arrangements with certain Prime Brokers. For a Private Fund with a prime broker arrangement, a substantial amount of the brokerage transactions may be effected through the Prime Broker. Through this arrangement, the Prime Broker performs the following functions, among others: (1) arrange for the receipt and delivery of securities bought, sold, borrowed and lent; (2) make and receive payments for securities; (3) maintain physical possession and custody of cash and securities; and (4) deliver cash to the Private Fund’s bank accounts. The Prime Broker will generally maintain physical possession or custody of a certain portion of the Private Fund’s assets.

As the Private Funds are non-U.S. private funds managed by a non-U.S. adviser, Rule 206(4)-2 under the Advisers Act is not applicable.

Sub-Advised Funds

As the Sub-Advised Funds are non-U.S. funds managed by a non-U.S. adviser, Rule 206(4)-2 under the Advisers Act is not applicable.

Sub-Advised Separate Accounts

Generally, neither Breton Hill nor a registered investment adviser for whom Breton Hill provides discretionary investment management services will maintain physical possession of the funds or securities that a client maintains in a Sub-Advised Separate Account. The assets in a Sub-Advised Separate Account typically are deposited with a custodian selected by the client in accordance with the terms of the applicable sub-advisory agreement.

Item 16: Investment Discretion

Discretionary

Subject to any investment guidelines or instructions as a client may from time to time communicate to Breton Hill, Breton Hill enters into investment management agreements, sub-advisory agreements or other agreements with its clients that give Breton Hill authority, without obtaining specific client consent, to buy, sell, hold, exchange, convert or otherwise trade in any securities (including equity and fixed income) and other financial instruments, including derivatives. Generally, Breton Hill also has discretion to choose the broker-dealer(s) to be used and the commission rates paid unless the client instructs otherwise. Breton Hill's discretionary authority is derived from an express grant of authority under each client's investment advisory agreement, sub-advisory agreement or other agreement with Breton Hill. With respect to a number of such agreements, Breton Hill is also given the authority to execute agreements or other documents on behalf of the client to effectuate Breton Hill's duties under the agreement. In addition, Breton Hill's discretionary authority generally allows Breton Hill to exercise any right incident to any securities or other assets (e.g., the right to vote) held in the Client Account and to issue instructions to the client's custodian for the Client Account for such purposes, as Breton Hill deems necessary and appropriate in the management of the Client Account. See Item 4.C.

Purchases and sales must be suitable for, and in the best interest of, the particular client and limitations may be imposed as a result of instructions from the client through investment guidelines or other writings. Clients may limit Breton Hill's authority by prohibiting or limiting the purchase of certain securities or other assets or industry groups. In addition, clients may further limit Breton Hill's authority by restricting the use of certain brokers or by requiring that a portion of client's transactions be executed through the client's designated broker. See Item 12.A. If a client restricts the use of certain brokers or directs some or all of its trades to particular brokers, the client may receive a more or less advantageous price or execution on its securities trades than other clients that do not place restrictions on the use of certain brokers or direct execution to particular brokers.

From time to time, the Firm itself, may place restrictions on trading in certain securities or other assets in Client Accounts. Legal or regulatory considerations or Firm risk management policies may necessitate that the Firm restrict trading in certain issuers. Limitations may also be imposed when the purchase of a security, when aggregated with positions in such security held by Breton Hill for itself, by insiders, and by other clients, would exceed applicable law or Breton Hill's self-imposed rules with regard to maximum size of positions in a security. Breton Hill will not be able to trade in any securities on the Firm restricted list on behalf of any Client Accounts, except with approval by the Firm's Legal and Compliance Department.

For example, pursuant to the Firm's policies and procedures on the handling of material non-public information, when the Firm is in possession of material non-public information related to a publicly-traded security or the issuer of such security, whether acquired unintentionally or otherwise, in general, neither the Firm nor its personnel are permitted to render investment advice as to, or otherwise trade or recommend a trade in, the securities of such issuer until such

time as the information is no longer deemed to be material or non-public information. As such, there may be circumstances which could prevent the purchase or sale of securities for certain Client Accounts for a period of time. See Item 11.D.1.

Item 17: Voting Client Securities

Breton Hill generally has voting power with respect to securities in all of its Client Accounts although certain clients may not delegate voting power to Breton Hill. Breton Hill has implemented written Proxy Voting Policies and Procedures (the “**Proxy Voting Policy**”) that are designed to reasonably ensure that Breton Hill votes proxies in the best interest of its advisory clients for whom Breton Hill has voting authority. The Proxy Voting Policy also provides for the process by which proxy voting decisions are made, the handling of material conflicts, the disclosure of the Proxy Voting Policy to clients, the maintenance of appropriate books and records relating to proxies, and proxy voting guidelines for common proxy proposals.

Breton Hill generally votes proxies with a view to enhancing the value of the shares of stock held in the Client Accounts. The financial interest of its clients is the primary consideration in determining how proxies should be voted. As a general rule, Breton Hill will vote all proxies relating to a particular proposal the same way for all Client Accounts holding the security in accordance with the proxy voting guidelines set forth in the Proxy Voting Policy, unless a client specifically instructs Breton Hill in writing to vote such securities otherwise.

The Neuberger Berman Governance and Proxy Voting Committee (“**Proxy Committee**”) is responsible for developing, authorizing, implementing and updating the Proxy Voting Policy, administering and overseeing the proxy voting process, and engaging and overseeing any independent third party vendors as voting delegates to review, monitor and/or vote proxies. In order to apply the Proxy Voting Policy in a timely and consistent manner, Breton Hill utilizes Glass, Lewis & Co. LLC (“**Glass Lewis**”) to vote eligible proxies in accordance with Breton Hill’s voting guidelines or, in instances where a material conflict has been determined to exist, in accordance with the voting recommendations of Glass Lewis.

While Breton Hill has voting power, Breton Hill retains final authority and fiduciary responsibility for proxy voting. Breton Hill believes that this process is reasonably designed to address material conflicts of interest that may arise between Breton Hill and a client as to how proxies are voted.

Conflicts:

Breton Hill is sensitive to conflicts of interest that may arise in the proxy voting process. It is committed to resolving all conflicts in its clients’ best interest and will generally vote pursuant to the Proxy Voting Policy guidelines when conflicts of interest arise. When there are proxy voting proposals, however, that give rise to conflicts of interest that are not addressed by the Proxy Voting Policy, the Proxy Committee will determine the approach to be taken to address the conflict.

In the event that an investment professional at Neuberger Berman believes that it is in the best interest of a client or clients to vote proxies in a manner inconsistent with Breton Hill’s proxy voting guidelines or in a manner inconsistent with Glass Lewis recommendations, the Proxy Committee will review information submitted by the investment professional to determine that there is no material conflict of interest between Neuberger Berman and the client with respect to the voting of the proxy in that manner.

If the Proxy Committee determines that the voting of a proxy as recommended by the investment professional would not be appropriate, the Proxy Committee will take no further action, in which case Glass Lewis will vote such proxy in accordance with the proxy voting guidelines or as Glass Lewis recommends.

Clients may obtain a copy of the Proxy Voting Policy or obtain information about how Breton Hill voted their specific proxies upon request.

Class Action Lawsuits:

From time to time a security held in a Client Account may become the subject of a class action lawsuit. Generally, the custodian for the Separate Account handles any decision to file a claim to participate in a class action settlement. Unless otherwise agreed with the client, Breton Hill has no responsibilities with regard to the class action process.

With respect to Private Funds, typically the Private Fund's custodian or other third-party agent engaged by the Private Fund, at the direction of Breton Hill, will handle the class action process and file claims.

With respect to Sub-Advised Funds and Sub-Advised Separate Accounts, typically the Sub-Advised Fund's or Sub-Advised Separate Account's custodian or other third party agent engaged by the fund or client, respectively, will handle the class action process and file claims.

Generally, Breton Hill will not act on behalf of its clients as a lead plaintiff in a class action lawsuit or as a plaintiff in any potential direct action.

Item 18: Financial Information

A. Prepayment of Fees (Six or more months in advance)

With respect to Separate Accounts, Breton Hill may require the prepayment of more than \$500 in fees per client. However, this prepayment will generally be for 3 months or less in advance.

B. Impairment of Contractual Commitments

Breton Hill has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients.

C. Bankruptcy Petitions

Breton Hill has not been the subject of a bankruptcy proceeding.