

# PINEBRIDGE INVESTMENTS LLC

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March 30, 2020

Contents of this document include both the PineBridge Investments LLC Privacy Notice as well as the Brochure.

The Brochure provides information about the qualifications and business practices of PineBridge Investments LLC (“PBI LLC”). If you have any questions about the contents of this Brochure, please contact us at 646-857-8000. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

PBI LLC is an SEC registered investment adviser. Registration with the SEC does not imply a certain level of skill or training.

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

## Privacy Notice

### **PineBridge Investments LLC Privacy Notice As of March 2020**

PineBridge Investments LLC (“PineBridge,” “we,” “us” or “our”) considers privacy fundamental to maintaining the trust and confidence of our investors (“you”). We are committed to maintaining the confidentiality, integrity, and security of non-public personal information about current, prospective, and former clients and individual investors in our funds. Our precautions include the adoption of certain procedures designed to maintain and secure such persons’ non-public personal information from inappropriate disclosure to third parties. Federal regulations require us to inform individual investors of this privacy policy. This policy applies to the personal privacy of individuals; it does not apply to corporate persons and legal entities that are not natural persons.

#### **Information We Collect**

We respect your right to personal privacy. We also know, however, that you expect us to conduct our operations in an accurate and efficient manner. To do so, we must collect and maintain non-public personal information which can include, but is not limited to, addresses, telephone numbers, dates of birth, assets, income, account information, and identification information (e.g. Social Security number, Social Insurance number, driver’s license number, or passport number) from the following sources:

- Information we receive from you on applications, subscription agreements, investment management agreements, or other forms;
- Information we receive from you through interaction with you on the telephone, in person, or through email;
- Information about your transactions with us, our affiliates, or others, including service providers that are necessary to carry on our everyday business purposes, such as to maintain accounts and process transactions; and
- Information from third parties with whom we deal, such as consumer-reporting agencies, to verify information we receive from you and your creditworthiness.

Some information may be collected through PineBridge websites, which have their own privacy policies.

#### **How We Use Information**

We will use non-public personal information for the following purposes, as applicable:

- To manage and administer your holdings in our funds and any related accounts on an ongoing basis in accordance with the contract between you and us;
- To carry out statistical analysis and market research which are in our or our affiliates’ legitimate business interest;
- To comply with legal and regulatory obligations applicable to you and us from time to time including applicable anti-money laundering and counter terrorist financing legislation.

Additionally, we may use an individual’s non-public personal information for our own direct marketing, which you may choose to opt out of upon request. The applicable contact details will be included in such communication to effectuate a desired opt out.

#### **Information We Disclose**

Subject to legal, regulatory, or other governmental requirements, it is our policy not to disclose any of an individual's non-public personal information to third parties without their consent, unless those parties are providing services or support to us and have agreed to keep such non-public personal information confidential. Examples of these parties include, but are not limited to, fund administrator, attorneys, and accountants.

We distribute certain non-public personal financial information, such as the schedule of investors to the fund agreement and capital account information, to all investors in each specific fund, to any regulatory authority having jurisdiction over us or any of our funds; or in connection with any litigation or other dispute or otherwise as necessary or appropriate to enforce the terms of our agreements with you or investigate, defend or assert legal rights.

### **Protecting Your Information**

We maintain physical, electronic, and procedural safeguards consistent with industry and federal standards designed to safeguard your non-public personal information and, which we believe, are adequate to prevent unauthorized disclosure of information. To further protect non-public personal information, we restrict access to such information to only employees who need the information in order to provide products or services to you and have been trained as to the proper handling of such information.

These, or comparable safeguards are utilized when providing non-public personal information to a third party. Any party receiving such information are bound to use it only for the services required and as allowed by applicable law or regulation, and is not permitted to share or use the information for any other purpose. If you decide to close your account(s) or become an inactive investor, we will continue to adhere to the privacy policies and practices as described in this Privacy Notice or as otherwise prescribed by law or regulation.

### **Accuracy and Correction of Information**

We take steps to ensure that information is current and accurate by updating our records as needed. From time to time and only when necessary, we may request confirmation of information that reasonably appears to be inaccurate or out dated.

Individuals, including current, former and prospective clients and investors, may exercise rights under applicable law to access personal information held by us in order to rectify or delete any such information that is factually incorrect, incomplete or irrelevant for the purpose for which it is processed, and they may also raise any concerns as to the use or disclosure of their personal information. Any changes or corrections to personal information must be made in writing and sent to our Privacy Officer at [privacyofficer@pinebridge.com](mailto:privacyofficer@pinebridge.com). All lawful requests to make corrections or changes to an individual's personal data will be made as soon as practicable, unless otherwise prohibited by law or regulation. If we are unable or otherwise prohibited from adhering to a request to change or correct an individual's personal data, such request will be annotated in our records.

### **Withdrawal of Consent**

Individuals, including current, former and prospective clients and investors, may exercise rights under applicable law to withdraw their consent for the collection, use or disclosure of non-public personal information by providing reasonable written notice to our Privacy Officer at [privacyofficer@pinebridge.com](mailto:privacyofficer@pinebridge.com). Upon lawful request, we shall inform the individual of the likely consequences of the withdrawal of consent and will cease to collect, use or disclose the non-public personal information unless otherwise permitted or required by applicable laws and regulations.

### **Cross Border Disclosure**

In order to use and disclose the non-public personal information, such information may be transferred internationally, including from the European Economic Area, to the U.S. and other countries which the European Union has deemed do not provide “adequate” protection for personal information. During such transfers, we will apply the same standards of privacy protection as set out in this privacy policy regardless of the international transfer or processing of personal information. If such transfer occurs with respect to the non-public personal information relating to an individual residing in the European Union, we are required to ensure that processing of such personal data is in compliance with the General Data Protection Regulation (Regulation (EU) 2016/679) and, in particular, that appropriate measures are in place such as entering into Model Contractual Clauses (as published by the European Commission) or ensuring that the recipient is Privacy Shield certified, if appropriate.

If, at any time in the future, it is necessary to disclose any investor’s personal information in a way that is inconsistent with this policy, we will give such investor written notice of the change and, where required under applicable law, obtain consent to such change.

## Item 2 - Material Changes

### Material Changes since the Last Update

Below is a list of material changes PBI LLC has made to this Brochure since its last annual update on March 30, 2019. Because this section of the Brochure addresses only those material changes that have been incorporated since its last annual update, and because other amendments were made to this Brochure that are not discussed in this summary, please read the Brochure in its entirety.

- PBI LLC has updated Item 5: Fees and Compensation, Item 6: Performance-Based Fee and Side-By-Side Management, and Item 8: Methods of Analysis, Investment Strategies and Risk of Loss to reflect the commencement of PBI LLC's private credit investment strategy product. Please read the disclosures in these Items for changes reflecting PBI LLC business practices with respect to the private credit strategy.

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## Item 4 - Advisory Business

### Firm Description

PineBridge Investments is the trade name given to the global asset management business of PineBridge Investments, L.P., a Cayman Islands limited partnership (“PILP”), which is a majority-owned subsidiary of Pacific Century Group (“PCG”), an Asia-based private investment group. As a global firm, PineBridge Investments has over 60 years of experience in emerging and developed markets. In the United States, PineBridge Investments LLC (“PBI LLC” or the “Firm”) operates as a member company of PineBridge Investments. Mr. Greg Ehret is PBI LLC’s Chief Executive Officer.

PineBridge Investment Partners LLC (“PIP LLC”), PineBridge/Fiera Select Plus Management Co. LLC (“Select Plus Management Co.”) and PineBridge Highstar (SPE) LLC (“Highstar SPE”) are investment advisers affiliated with PBI LLC. Each of PIP LLC, Select Plus Management Co. and Highstar SPE is registered as an investment adviser in reliance on PBI LLC’s Form ADV and conducts its investment advisory activities in accordance with PBI LLC’s compliance policies and procedures. As pertinent, PIP LLC, Select Plus Management Co. and/or Highstar SPE are included in the term “PBI LLC” or the “Firm.”

### Principal Owners

PBI LLC is a Delaware limited liability company that is a wholly owned subsidiary of PineBridge Investments Holdings US LLC (“PineBridge Holdings”), also a Delaware limited liability company. PineBridge Holdings is a wholly owned subsidiary of PILP. The general partner of PILP is Bridge Holdings Company Limited (“Bridge Holdings”). Bridge Holdings is wholly owned by Pacific Century Investment Holdings No. 1 Limited (“PCIH No. 1”). PCIH No. 1 is wholly owned by ChiltonLink Limited, which, in turn, is wholly owned by Richard Li.

The sole member of PIP LLC is PILP. The limited liability company interests of Select Plus Management Co. are owned equally by PBI LLC and Fiera Capital Inc., an investment adviser separately registered with the SEC. PBI LLC is the managing member of Highstar SPE.

### Types of Advisory Services

PBI LLC is an investment adviser that manages separate accounts and funds in a wide range of asset types for our clients, including equity, multi-asset, fixed income, direct lending, and alternative investments. The Firm provides investment management/advisory services to U.S. registered investment companies, privately offered pooled investment vehicles (including CLOs) and separate advisory accounts for sophisticated institutional and individual clients for which appropriate investment guidelines have been developed with the client. Such services may include the rendering of investment advice, the execution of investment transactions as agent on behalf of such clients, and the settlement and reconciliation of all such trades with third party custodians.

PBI LLC offers a wide range of equity investment management capabilities, including managing separate accounts and funds, which hold a range of equity securities including, exchange-listed securities, securities traded over the counter, foreign issues, small-capitalization securities, and warrants.

In addition, PBI LLC offers a Multi-Asset strategy that provides a forward-looking approach designed to protect portfolios during periods of stressed correlations. This strategy is an intermediate-term, which allows it to sit between a pure tactical approach and a strategic approach.

PBI LLC also offers a wide range of fixed income investment management capabilities, including managing separate accounts, CLOs and other funds, which hold a range of fixed income securities including corporate debt securities, leveraged loans, high yield, and investment grade debt. The Firm also invests, on behalf of



its clients, in government securities and structured products, such as mortgage and other asset-backed securities.

Further, PBI LLC offers direct lending opportunities, including managing separate accounts and funds that make senior secured loans to lower middle-market companies primarily based in the United States and funds that pursue an enhanced mezzanine strategy targeting equity-like returns while primarily investing in mezzanine and other junior capital securities.

In addition, PBI LLC offers a wide range of alternative investment management capabilities, such as managing separate accounts and funds holding direct investments, secondary investments, private equity funds, and hedge funds. The Firm may also recommend investments in private funds for which it or one of its affiliates serves as investment adviser and/or general partner.

### Tailored Relationships

PBI LLC tailors advisory services to the individual needs of clients and aims to deliver consistent, long-term results for clients through a robust global investment platform. PBI LLC strives to collaborate with clients and leverage the platform of investment capabilities to develop customized solutions, and it has the flexibility to create investment solutions to meet many diverse client needs.

Clients may impose restrictions on investing in certain securities or types of securities over their portfolios. The Firm's portfolio managers are responsible for following the investment guidelines for each client as defined in its respective investment management agreement ("IMA"). The Firm's Compliance Department ("Compliance"), along with senior management, has developed a supervisory structure to monitor and provide guidance to its investment professionals.

### Affiliates

PBI LLC also operates its investment management business through multiple affiliates, some of which are registered with non-U.S. regulatory authorities. The Firm may use the services of appropriate personnel of one or more of its affiliates for investment advice, trading, and/or client servicing in their local or regional markets, except to the extent that such activity is restricted by the client in or pursuant to its IMA, or is inconsistent with applicable law. Arrangements among affiliates may take the form of a formal sub-advisory agreement or a participating affiliate agreement. This is designed to make the Firm's global capabilities available to clients that have an IMA with PBI LLC.

PBI LLC also provides services to certain affiliates for a fee, including PineBridge Galaxy LLC, an affiliated U.S. registered investment adviser.

### Wrap Fee Programs

PBI LLC does not participate in wrap fee programs.

### Client Assets

As of December 31, 2019 (rounded to the nearest \$1.00):

Discretionary: \$47,171,264,170  
Non-Discretionary: \$787,996,904  
Total: \$47,959,261,074

## Item 5 - Fees and Compensation

### Description

PBI LLC's investment advisory fees may be negotiable and are typically based upon a percentage of the total assets managed for the client by PBI LLC. Fee arrangements vary by client, and are based on a number of different factors that may include investment mandate, services performed, account size, and account relationship. Fees may vary depending on the investment vehicle and structure. For example, fees charged for the management and administration of pooled investment vehicles tend to be higher than for separately managed accounts. The specific manner in which fees are charged by PBI LLC is usually established in a client's written agreement with the Firm or is set forth in fund offering documentation. The percentages upon which annual basic fees are based may vary, according to the client's investment objectives, the extent of the services desired, the types of assets to be managed, and other various competitive factors.

PBI LLC serves as sub-adviser to several registered mutual funds. For these accounts, PBI LLC is typically paid a management fee based on the level of assets under management.

General fee structures, including those noted in the fee schedule below may be modified for any reason, such as where a new account is expected to grow rapidly, where a relationship already exists with a current client, or where the client retains PBI LLC to provide services with respect to multiple investment mandates.

The differing levels of basic fees among the various categories indicated in the fee schedule below take into account such factors as the degree of investment management activity, supervision required, the nature of the discretionary or non-discretionary service provided, and the types of investment guidelines and restrictions imposed upon the management of the accounts. Depending on the share-class, the fees charged for certain pooled investment vehicles may be higher than those stated below and are specified in each fund's respective offering documentation.

In addition to the foregoing, there may be specialized investment strategies with individualized fee arrangements in place, as well as historical fee schedules with long-standing clients that may differ from those applicable to new client relationships.

PBI LLC may use its discretionary authority to cause clients to invest in mutual funds or other pooled investment products including products managed by PBI LLC or an affiliate. In connection with these underlying investments, clients may be charged management and other fees in addition to those defined in their investment management agreements.

The below fee schedule is for strategies managed by the Firm. Unless stated otherwise, management fees stated in this section refer to fees determined on a per annum basis and relate to a percentage of assets under management for the specific portfolio.

Fees and expenses applicable to unregistered pooled investment vehicles advised by the Firm ("Private Investment Funds"), are set forth in the applicable Private Placement Memorandum ("PPM"), subscription agreement and/or other governing document.

### FEE SCHEDULE

#### *Private Investment Funds*

PBI LLC directly or indirectly is general partner and investment adviser to private investment funds structured as limited partnerships, similar closed-end vehicles or separate accounts. Such funds seek to achieve their investment objectives through either direct investments executed by the Firm's investment teams or through investments made in private investment funds managed by non-affiliated managers.

Management fees for private investment funds or separate accounts advised by the Firm which invest in private equity and private credit strategies ("Private Fund Clients") generally are based upon a percentage of a fund's aggregate committed or invested capital ranging from 0.30% to 1.50%.

PBI LLC generally also receives a performance-based profits interest through each private investment fund's general partner entitling it to a certain percentage of the realized profits subject to a preferred return or hurdle rate to limited partners. Similarly, PBI LLC generally also receives performance-based fees from its separate managed accounts, which invest in private equity and private credit strategies. For primarily illiquid investment strategies, these profits interests are based on realized gains and received income only and is subject, in some cases, to a reserve or "clawback" arrangement to the account for losses incurred on holdings subsequently sold. All carried interest profit allocations are subject to regulation under Section 205 of the Investment Advisers Act of 1940 ("Advisers Act") and Rule 205-3 thereunder.

### ***Emerging Market Equity***

Emerging market equity programs encompass management of portfolios of equity securities globally, within individual emerging market countries or across multiple emerging market countries within a geographic region. Fees are generally charged as a fixed percentage ranging from 0.60% to 1.00% of assets under management.

### ***Developed Market Equity***

Developed market equity programs encompass management of portfolios of equity securities globally, within individual developed market countries or across multiple developed market countries within a geographic region. Fees are generally charged as a fixed percentage ranging from 0.50% to 0.90% of assets under management.

### ***Tracking Error Constrained Equity Strategies***

Tracking error constrained equity programs encompass management of portfolios of equity securities with the objective of optimizing risk and return within a pre-specified tracking error of a reference index. These programs may include securities in either developed, emerging or global equity markets. Fees are generally charged as a fixed percentage ranging from 0.25% to 0.56% of assets under management.

### ***Investment Grade Fixed Income Strategies***

Fixed income programs encompass management of portfolios of debt obligations of investment grade corporations and sovereign entities or their agencies encompassing a narrow or broad range of credit instruments in either or both emerging and developed markets. Fees are generally charged as a fixed percentage ranging from 0.20% to 0.65% of assets under management.

### ***Below Investment Grade Fixed Income Strategies***

Fixed income programs encompass management of portfolios of debt obligations of non-investment grade corporations or other entities encompassing a narrow or broad range of credit instruments in either or both emerging and developed markets. Fees are generally charged as a fixed percentage ranging from 0.35% to 0.60% of assets under management.

### ***Bank Loan Strategies***

Fixed income programs encompass management of portfolios of debt obligations of non-investment grade or non-rated corporations or other entities encompassing a narrow or broad range of credit instruments in either or both emerging and developed markets. Fees are generally charged as a fixed percentage ranging from 0.35% to 0.50% of assets under management.

### ***Collateralized Loan Obligations***

PBI LLC serves as collateral manager for several Collateralized Loan Obligations (“CLOs”) as well as managing CLO tranche strategies. The fee structure for CLOs generally provides for a Senior Management Fee of 0.10% to 0.25% and a Subordinated Management Fee of 0.20% to 0.35%; each based on the aggregate principal value of investments. The Senior Management Fee will be paid prior to any payments made to CLO noteholders. The Subordinated Management Fee will be paid only from interest proceeds remaining after payments of interest of the senior notes of the CLO and from principal remaining after payment in full of the senior notes. For CLO tranche strategies, fees are generally charged as a fixed percentage ranging from 0.10% to 0.35% of assets under management.

PBI LLC is also entitled to receive a performance fee. Performance fees are typically paid later in a CLO’s tenor by the CLO or its trustee in arrears if specific internal rates of return thresholds are achieved.

### ***Direct Lending Strategies***

Direct lending programs encompass management of portfolios of senior secured debt obligations of lower-middle market companies and mezzanine and other junior capital securities in companies based primarily in the United States. Fees are generally charged as a fixed percentage of 1.00% to 1.50% of the cost of all outstanding loans, in some cases in addition to a percentage of remaining capital commitments.

### ***Multi-Asset and Multi-Sector Strategies***

Multi-Asset programs encompass management of multi-asset portfolios of equity, fixed income and/or other securities. Multi-Sector programs encompass management of single asset class portfolios that span multiple geographies or security types. Fees generally are charged as a fixed percentage ranging from 0.40% to 0.75% of assets under management.

## **FEE BILLING**

The Firm’s management fees are billed according to the terms of advisory agreement or governing documents, generally quarterly, monthly, or semi-annually. Fees for traditional equity and fixed income products and related strategies are generally calculated either (i) in arrears based on the average asset balance of the portfolio or (ii) in arrears based on the asset balance of the managed portfolio on the last day of the previous period. Fees for alternative investment products and strategies are generally determined based on committed capital, invested capital, or net asset value, as defined in the offering materials or other governing documents.

Clawback provisions also may apply to performance fees paid with respect to certain Private Fund Clients. A clawback provision is a provision within the constituent documents that allows for a review of the total profit distributed by the Private Fund Client at the end of a defined period. The “Clawback” is a mechanism to recapture overpayments to the general partner or the relevant investment manager, in the case of separate managed accounts, if it received more than its share of stated carried interest. The timing and amount of performance fees or allocations are described in the relevant PPM or other governing documents.

## **OTHER FEES**

PBI LLC’s fees are exclusive of any brokerage commissions, transaction fees, and other related costs and expenses incurred by the client account. Clients may incur certain charges imposed by custodians, brokers, and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, interest expenses, other governmental charges, transfer and registration fees associated with products or services that may be necessary or incidental to such investments or accounts, and other fees and taxes on brokerage accounts and securities

transactions. Mutual funds and exchange-traded funds also may charge internal management fees, which are disclosed in a fund's prospectus. Performance fees may also be charged on some accounts. (Refer to the Performance-Based Fees and Side-By-Side Management section (Item 6) and Brokerage Practices section (Item 12) within this Brochure for additional details.)

*Other Fees Related to Private Investment Funds Only:* PBI LLC and its affiliates may be entitled to receive cash and non-cash break-up, directors', commitment, monitoring, organizational, setup, advisory, investment banking, underwriting, syndication, transaction, financing, amendment, prepayment, closing, termination, consent, and other similar fees in connection with the purchase, monitoring or disposition of investments or from un consummated transactions, including warrants, options, derivatives and other rights in respect of securities owned by a Private Fund Client. Private Fund Clients will receive the benefit of certain such fees only as set forth in their respective constituent documents.

Generally, feeder funds to a master fund bear a pro rata share of the expenses associated with the related master fund and all expenses specifically associated with the feeder fund.

### COMMON TYPES OF EXPENSES

Private Investment Funds may incur administrative fees, legal fees, audit fees, sales expenses, tax preparation expenses, organizational expenses, investment expenses, diligence fees, or other fees and expenses as may be disclosed in the relevant Private Investment Fund offering materials or other governing documents. In addition, each Private Investment Fund may bear or reimburse PBI LLC for its allocable share of the expenses associated with (i) any insurance policies obtained by PBI LLC in respect of the relevant Private Investment Fund or the activities of PBI LLC and its affiliates associated therewith, and any indemnified parties (as applicable and, including without limitation PBI LLC, its affiliates and members of the investment teams) from liabilities to third parties in connection with the relevant Private Investment Fund's investment and other activities and (ii) the participation of internal counsel to PBI LLC in the negotiation and preparation of PBI LLC's management agreement with the relevant Private Investment Fund and all legal matters relating to the management of the relevant Private Investment Fund, the internal expenses described below in "Operating Expenses Related to Certain Internal Staff or Consultants" and other internal expenses as set forth in such Private Investment Fund's constituent documents. Private equity, private credit and hedge funds charge management fees to the investors' capital accounts. (Please refer to the Private Investment Funds Only section below for additional details.)

#### Internal Counsel Costs Allocated to Collateralized Loan Obligations ("CLOs")

PBI LLC has allocated and may continue in the future to allocate to PBI LLC-sponsored CLOs amounts determined in its reasonable discretion to constitute the allocable cost of the participation of internal counsel to PBI LLC including, without limitation (i) in the negotiation and preparation of PBI LLC's collateral management agreement with the CLOs, (ii) in connection with matters incidental to refinancing, re-pricing or other similar CLO-related transactions, or (iii) otherwise in connection with the performance of PBI LLC's obligations under the collateral management agreement.

### FEES PAID IN ADVANCE

In the event that any advisory agreement provides for a fee to be payable to PBI LLC in advance, a pro-rata refund will be made in the event of early cancellation of the advisory agreement by either the Firm or the client. In no event will fees be payable six months or more in advance. Clients in separate accounts are generally permitted to terminate contracts with PBI LLC upon written notice within a reasonable time (normally at least 30 days) prior to the effective date of such termination.

## ADDITIONAL COMPENSATION

Sales personnel accept incentive sales payments from either PBI LLC or an affiliated broker-dealer for the sale of securities or other investment products based on a percentage of funds raised, as some PBI LLC employees are also registered representatives of the affiliated broker-dealer (PineBridge Securities LLC). The incentive sales payment is paid from the applicable management fee, not an additional separate fee. Such management fees are generally based on a percentage of assets.

This practice presents a conflict of interest that gives the Firm and/or supervised persons an incentive to recommend investment products based on the compensation received, rather than on a client's needs. The Firm has adopted a Code of Ethics and Compliance Manual to address the ethical conduct of employees, including sales persons. The Code of Ethics requires, among other things, that employees place the interests of the clients first. As fiduciaries, employees must avoid placing personal interests ahead of the interests of clients.

A copy of this Brochure, including the disclosure of the potential conflict description above, is provided to all investors prior to becoming a client of PBI LLC. In addition, certain Private Investment Funds managed by PBI LLC may be available for purchase through other brokers not affiliated with the Firm.

## Private Fund Clients Only

### ORGANIZATIONAL EXPENSES

Depending on the provisions of the Private Fund Client's constituent documents, each Private Fund Client will typically pay or otherwise bear all legal and other fees, costs, expenses, and other liabilities incurred in connection with the formation and organization of the Private Fund Client and related entities, or the offer and sale of interest in, such Private Fund Client, its general partner or similar managing fiduciary, generally including commissions, costs, and all out-of-pocket legal, accounting, filing, capital raising, printing, electronic database, travel, accommodation, meal, and other similar fees, costs, and expenses excluding placement fees, as applicable ("Organizational Expenses"). Organizational Expenses in excess of any cap provided in a Private Fund Client's constituent documents, and placement fees (as applicable) not paid by PBI LLC, typically will be paid by the Private Fund Client, but the management fee otherwise payable by the Private Fund Client will typically be reduced by the amount of the placement fees and any amount in excess of the Organizational Expenses cap provided for in its constituent documents. Not all Private Fund Clients will have the same fees, costs, and expenses, and the constituent documents relating to each Private Fund Client, including partnership agreements and investment management agreements, provide a description of fees, costs and expenses to be borne by such Private Fund Client incurred in connection with the formation and organization of the Private Fund Client and related entities and the offer and sale of interests in such Private Fund Client.

### OPERATING EXPENSES

The constituent documents relating to each Private Fund Client, including partnership agreements and investment management agreements, provide a description of any additional fees, costs and expenses for which such Private Fund Client may be responsible in addition to the management fees and any performance-based allocations or fees (collectively, the "Operating Expenses"). As such, different Private Fund Clients will have differing obligations with respect to Operating Expenses.

Except as otherwise agreed (including in any applicable side letter) or set forth in such constituent documents and agreements, each Private Fund Client will pay all costs, expenses and liabilities attributable to its activities that are not reimbursed by portfolio companies or other third parties, including but not limited to the following, whether, in each case as applicable, such costs, expenses and liabilities are charged for services performed by third parties or employees of PBI LLC or its affiliates (e.g., in-house legal



counsel and tax compliance professionals) as determined by PBI LLC and or its affiliates and as set forth in more detail below.

*Operating Expenses Related to the General Administration of the Private Fund Client.* Each Private Fund Client generally bears all of the expenses relating to its administration including: (i) fees, costs and expenses of PBI LLC or its affiliates, including, without limitation, directors and/or managers fees, expenses for legal, accounting, and tax advice and administration services, including expenses associated with the preparation of the Private Fund Client's (and related entities' (including general partner of the Private Fund Client's)) financial statements and tax returns; (ii) placement fees and expenses (subject to reduction of the management fee in certain constituent documents of the Private Fund Clients); (iii) costs and expenses of any Private Fund advisory board, including travel and all other out-of-pocket costs incurred in connection with any advisory board meetings (in accordance with any applicable travel and expense policies of PBI LLC or its affiliates); (iv) extraordinary fees, costs and expenses (including costs and expenses that are classified as extraordinary expenses under the International Financial Reporting Standards or the applicable generally accepted accounting principles), as determined by PBI LLC or its affiliates in their sole discretion; (v) fees, costs and expenses incurred in connection with distributions to the partners of the Private Fund Client (including any in-kind distributions); (vi) fees, costs and expenses incurred in respect of reporting to and communicating with the partners of the Private Fund Client and any meeting of the general partner of the Private Fund Client and one or more limited partners, including the travel (including business class travel), events and hospitality and other out-of-pocket costs incurred by the general partner of the Private Fund Client in attending such meetings (in accordance with any applicable travel and expense policies of PBI LLC or its affiliates) and the costs and expenses of complying with any limited partner side letter provision and administering and complying with "most favored nations" provisions set forth in side letters; (vii) fees, costs and expenses associated with administering and operating the Private Fund Client, preparing and maintaining the books and records of the Private Fund Client, including internal costs that PBI LLC may incur to produce the Private Fund Client's official books and records, external costs in cases where PBI LLC hires a third-party administrator to maintain the Private Fund Client's official books and records and any costs of PBI LLC to oversee and manage such third-party administrator and any special purpose vehicles of the Private Fund Client; (viii) fees, costs and expenses incurred in connection with any amendment, waiver or variation of the constituent documents of the Private Fund Client and any other agreement related to the Private Fund Client; (ix) fees, costs and expenses relating to litigation, threatened litigation or government, commission or authority inquiry, proceeding, audit or action involving the Private Fund Client, and any losses related thereto; (x) fees, costs and expenses incurred in connection with computer software and technological systems, including, but not limited to, licenses, development and hosting; (xi) fees, costs and expenses of holding any meetings of investors of such Private Fund Client (including for travel, which may include expenses for airfare, accommodations, meals, events, entertainment, and other similar fees, costs and expenses in accordance with any applicable travel and expense policies of PBI LLC or its affiliates); (xii) unreimbursed fees, costs and expenses incurred in connection with the collection of amounts due to the Private Fund Client from any person (including defaults by limited partners); (xiii) fees, costs and expenses incurred in connection with administrative proceedings relating to the determination of the Private Fund Client account items of income, gain, loss, deduction and credit at the portfolio investment level, and any audit with respect to taxes; (xiv) fees, costs and expenses related to a sale, assignment, pledge or transfer of an investor's interest in such Private Fund Client or an investor's withdrawal or admission or acquisition of interests as permitted under such Private Fund Client's governing documents (but only to the extent not paid by the investor and/or the purchaser, assignee, pledge or transferee, as applicable); (xv) fees and expenses for (a) appraisals, valuations, ratings, strategic advisors or other persons who provide services to the Private Fund Client and/or one or more investments and (b) legal, auditing, risk management, compliance, litigation, custodial, accounting, administrative, banking, brokerage, administrative agent and collateral agent services, tax and other professional fees, including fees, costs and expenses associated with the Private Fund Client's custodian, the preparation of the Private Fund Client's financial statements, tax returns and Schedules K-1 and the representation of the Private Fund Client or the Private Fund Client's partners by the partnership representative of such Private Fund Client; (xvi) costs of winding up and liquidating the Private Fund Client and related entities (including its general partner); (xvii) fees, costs and expenses incurred in connection with any restructuring or

amendments to the constituent documents of the Private Fund Client and related entities (including its general partner); and (xviii) all other non-recurring or extraordinary costs or expenses attributable to the activities of the Private Fund Client.

*Internal PineBridge Expenses.* For each Private Fund Client, the general partner or managing member, the manager and their respective affiliates will be entitled to reimbursement from the Private Fund Client for any expenses paid and/or incurred by them on behalf of such Private Fund Client, including allocated portions of Internal PineBridge Expenses (defined below) incurred in connection with services performed by personnel or employees of the Private Fund Client including, without limitation, internal legal staff, operations and paralegals (“Internal Staff”) in accordance with the Private Fund Client’s constituent documents. Any amounts reimbursed by the Private Fund Client for Internal PineBridge Expenses will not offset the management fee for such Private Fund Client. Works performed by Internal Staff that will be reimbursable as Internal PineBridge Expenses can be generally (but not exclusively) categorized as work relating to: (i) the structuring, marketing, formation and organization of the Private Fund Client, (ii) strategy, operations and obligations of the Private Fund Client and (iii) the acquisition, monitoring, protection, maintenance and disposition of the Private Fund Client’s assets. The Private Fund Client will bear the portion of Internal PineBridge Expenses that is allocable to Private Fund Client activities (e.g., costs and expenses related to those matters in clauses (i), (ii) and (iii) of the prior sentence). Work that the Private Fund Client determines was performed by Internal Staff on matters relating to clause (i) will be considered organizational expenses as discussed in the Private Fund Client’s constituent documents. The following is a representative (but not exhaustive) list of the activities included in the general categories described in clauses (i), (ii), and (iii) above: (a) the formation of the Partnership and its investment structures; (b) closings and offerings of interests in the Private Fund Client; (c) general advice concerning the Private Fund Client, the Private Fund Client’s constituent documents and side letters and the rights, obligations and liabilities of the general partner or managing member of the Private Fund Client, the limited partners or members of the Private Fund Client, the manager of the Private Fund Client and the Private Fund Client under such documents; (d) amendments and waivers relating to the Private Fund Client’s constituent documents; (e) meetings and consents of the limited partners or members and/or the advisory board and other communications with the limited partners or members; (f) the application of laws, rules and regulations to the Private Fund Client, its investments, the general partner or managing member and the limited partners or members of the Private Fund Client; (g) tax-planning relating to the Private Fund Client, the general partner or managing member, the limited partners or members of the Private Fund Client and the Private Fund Client’s investments; (h) indemnification and other legal, contractual, fiduciary or regulatory obligations of the Private Fund Client; (i) transactional or litigation work and advice related to the discovery, sourcing, allocation, structuring, taxation, investment, monitoring, protecting, holding or disposition of investments or potential investment opportunities of the Private Fund Client (including managing all legal aspects associated therewith); (j) transfers (direct and indirect) of interests in the Private Fund Client; (k) the winding-up or liquidation of the Private Fund Client; or (l) other fund administration services. Amounts determined by the general partner or managing member of the Private Fund Client to be reimbursable to such general partner or managing member, the manager and/or their affiliates in connection with services performed by Internal Staff (including an allocable portion of salaries, bonuses, other compensation and/or benefits (as applicable) of Internal Staff member) will be considered “Internal PineBridge Expenses”.

All determinations with respect to allocations of work and related reimbursements, the methodologies for such allocations, and the Internal PineBridge Expenses related to such work will be made by the general partner or managing member and its affiliates in their sole discretion. Such methodologies can include, but are not limited to (i) requiring personnel to periodically record or allocate their historical time with respect to the Private Fund Client, (ii) the general partner or managing member or its affiliates approximating the proportion of certain individuals’ time spent on particular funds, (iii) the assessment of an overall dollar amount (based on a fixed fee or percentage of assets under management) that the general partner or managing member believes represents a fair recoupment of expenses and a market rate for such services or (iv) any other similar methodology determined by the general partner or managing member to be appropriate under the circumstances (i.e., rates that fall within a range that the general partner or



managing member has determined is reflective of rates in the applicable market and certain similar markets, though not necessarily equal to or lower than the median rate of comparable firms). The general partner or managing member will seek to allocate work done by Internal Staff and related reimbursements appropriately; but such allocation often includes the exercise of judgement and there is no assurance that such allocation will be exact or that reasonable minds could not have come to a different allocation decision. While the methodology discussed above is intended to allocate work done by Internal Staff and related reimbursements fairly, any methodology (including the choice and execution thereof) involves inherent conflicts and may even result in the incurrence of greater expenses by the Private Fund Client than would be the case if such services were provided by third parties.

The manager, the general partner or managing member and/or their respective Internal Staff will allocate work, in their sole discretion, based on their assessments of current workloads and priorities (without regard for prior practice) to external service providers, Internal Staff or some combination thereof. From time to time, work that was performed by Internal Staff may be performed by external service providers and vice versa. From time to time, work performed by Internal Staff for one Private Fund Client may be performed by external service providers for another Private Fund Client. Neither a Private Fund Client nor any of its limited partners or members should have any expectation that work performed by Internal Staff will be borne by the general partner or managing member or the manager regardless of whether or not Internal PineBridge Expenses for such work were previously reimbursed by such Private Fund Client or any other Private Fund Client. Work performed by Internal Staff includes any and all work that the general partner or managing member determines, in its sole discretion, could otherwise have been performed by external service providers had it not been performed by Internal Staff and will include work performed in conjunction with external service providers and in connection with supervising and reviewing the work of external service providers.

*Operating Expenses Related to Regulatory and Tax Compliance.* Each Private Fund Client generally bears or reimburses PBI LLC for certain expenses related to the Private Fund Client's regulatory and tax compliance, including: (i) taxes and other governmental charges, fees and duties payable by the Private Fund Client and registration and registered office fees and expenses of the Private Fund Client, PBI LLC and related entities; (ii) fees, costs and expenses (including legal fees, costs and expenses) incurred to comply with any applicable law, rule or regulation (including regulatory filing or other expenses of such Private Fund Client, its general partner or similar person and/or investment manager, including, but not limited to, regulatory registrations, notices and/or filings to comply with the Alternative Investment Fund Manager Directive ("AIFMD") as implemented in any relevant European Union ("EU") member state jurisdiction and including any secondary legislation, regulations, rules and/or associated guidance and any related requirements (including any equivalent law, rule or regulation which may come into effect as a result of the United Kingdom (the "UK") ceasing to be part of the EU)); (iii) fees, costs and expenses incurred in complying with "know your customer" laws, Sections 1471 through 1474 of the U.S. Internal Revenue Code (commonly referred to as "FATCA") or similar laws; and (iv) except as otherwise provided in the constituent documents of the Private Fund Client, taxes and other governmental charges, fees and duties payable by the Private Fund Client.

*Operating Expenses Related to Portfolio Investments.* Each Private Fund Client generally bears or reimburses PBI LLC for certain expenses related to portfolio investments, including: (i) the fees, costs and expenses relating to portfolio investments and potential portfolio investments (irrespective of whether any such potential portfolio investment is ultimately consummated), including the sourcing, development, investigation, evaluation, negotiation, acquisition, holding, protecting, monitoring, valuing and disposition thereof, as well as travel (including business class travel) and hospitality expenses and other out-of-pocket costs incurred by PBI LLC or its affiliates in sourcing, developing, investigating, evaluating, negotiating, monitoring, acquiring, holding, protecting, valuing or disposing of portfolio investments or investment opportunities meetings (in accordance with any applicable travel and expense policies of PBI LLC or its affiliates); (ii) the costs of attending any industry conferences in connection with sourcing and/or evaluating potential investments (irrespective of whether any such potential investment is ultimately consummated) (iii) all principal, interest, fees, expenses and other amounts payable in respect of or in connection with

borrowings, financings or derivative transactions; (iv) fees, costs and expenses related to organizing entities through or in which portfolio investments may be made; (v) market data, research-related and software fees, costs and expenses; (vi) fees, costs and expenses incurred in obtaining research and other information for the benefit of such Private Fund Client, including information service subscriptions as well as expenses incurred to operate and maintain market information systems and information technology systems used to obtain such research and other information (such as phone and internet charges); (vii) fees, costs and expenses incurred in developing, implementing or maintaining computer software and technological systems for the benefit of such Private Fund Client, its investors or its portfolio companies (including potential portfolio companies); and (viii) “broken deal” and similar fees, costs and expenses.

*Operating Expenses Related to Indemnification Obligations.* Each Private Fund Client generally bears or reimburses PBI LLC for certain expenses related to indemnification obligations, including: (i) premiums for insurance protecting the Private Fund Client and any indemnified parties (as applicable and defined in the Private Fund Client’s constituent documents and, including without limitation PBI LLC, its affiliates and members of the investment teams) from liabilities in connection with the Private Fund Client’s investment and other activities, including an allocable share of any insurance policies obtained by PBI LLC or any affiliate thereof in respect of the Private Fund Client and one or more other PBI LLC investment funds or other persons; and (ii) indemnification obligations (including any fees, costs and expenses incurred in connection with indemnifying individuals and other parties required or permitted to be indemnified under the constituent documents of the Private Fund Client and advancing fees, costs and expenses incurred by any such indemnified parties in defense or settlement of any claim that may be subject to indemnification under the applicable constituent documents).

PBI LLC and its affiliates will be entitled to reimbursement from each Private Fund Client for any Operating Expenses paid and/or incurred by them on behalf of such Private Fund Client, including fees, costs and expenses and allocated portions of overhead expenses incurred in connection with services performed by personnel or employees of PBI LLC and its affiliates including, without limitation, internal legal staff and paralegals (“Internal Staff”) in accordance with such Private Fund Client’s applicable constituent documents. As described in the respective provisions of such Private Fund’s applicable constituent documents or client’s investment agreements, all determinations with respect to allocations of work, related reimbursements, the methodologies for such allocations, and the fees, costs, expenses and overhead expenses related to such work, will be made by PBI LLC and its affiliates in its sole discretion including, without limitation, the determination of the extent to which any fees, costs, expenses and overhead expenses related to work performed by external counsel, other external service providers and/or Internal Staff is an “Operating Expense.” The methodologies used by PBI LLC and its affiliates for this purpose can include, but are not limited to (i) requiring personnel to periodically record or allocate their historical time with respect to each Private Fund Client, (ii) PBI LLC or its affiliates approximating the proportion of certain individuals’ time spent on particular matters, (iii) the assessment of an overall dollar amount (based on a fixed fee or percentage of assets under management) that PBI LLC or its affiliates believes represents a fair recoupment of expenses and a market rate for such services or (iv) any other similar methodology determined by PBI LLC or its affiliates to be appropriate under the circumstances (i.e., rates that fall within a range that PBI LLC or its affiliates have determined is reflective of rates in the applicable market and certain similar markets, though not necessarily equal to or lower than the median rate of comparable firms). PBI LLC and its affiliates will seek to allocate work done by Internal Staff and related reimbursements appropriately; but such allocation often includes the exercise of judgement and there is no assurance that such allocation will be exact or that reasonable minds could not have come to a different allocation decision. While the methodology discussed above is intended to allocate work done by Internal Staff and related reimbursements fairly, any methodology (including the choice and execution thereof) involves inherent conflicts and may even result in the incurrence of greater expenses by the Private Fund Client than would be the case if such services were provided by third parties.

PBI LLC and its affiliates and/or their respective Internal Staff will allocate work, in their sole discretion, based on their assessments of current workloads and priorities (without regard for prior practice) to external service providers, Internal Staff or some combination thereof. From time to time, work that was performed

by Internal Staff may be performed by external service providers and vice versa. From time to time, work performed by Internal Staff for one Private Fund Client may be performed by external service providers for another Private Fund Client. None of the Private Fund Clients or their investors should have any expectation that work performed by Internal Staff will be borne by PBI LLC or its affiliates regardless of whether or not overhead expenses for such work was previously reimbursed by the applicable Private Fund Client. Work performed by Internal Staff includes any and all work that PBI LLC determines, in its sole discretion, could otherwise have been performed by external service providers had it not been performed by Internal Staff, including but not limited to, work associated with: (i) the formation of the Private Fund Client and its investment structures; (ii) closings and offerings of interests for such Private Fund Client; (iii) general advice concerning the Private Fund Client, and such Private Fund Client's applicable constituent documents; (iv) amendments and waivers relating to the Private Fund Client's constituent documents; (v) meetings and consents of the limited partners and the advisory board of such Private Fund Client (as applicable); (vi) the application of laws, rules and regulations to the Private Fund Client and related entities, its portfolio investments, its investors, PBI LLC; (vii) tax-planning relating to the Private Fund Client, its related entities, its investors, PBI LLC and its affiliates and the Private Fund Client's portfolio investments; (viii) indemnification obligations of the Private Fund Client; (ix) transactional or litigation work and advice related to the discovery, structuring, taxation, investment, monitoring, holding or disposition of portfolio investments or potential investment opportunities of the Private Fund Client (including managing all legal aspects associated therewith); and (x) the winding-up or liquidation of a Private Fund Client.

#### CONSULTANT FEES AND EXPENSES

Consultants are not employees of PBI LLC, are not expected to provide recurring/ongoing consulting and other similar services to PBI LLC and may participate in a portion of the incentive allocation distributions of the Private Fund Client. Consultants may provide operational advice or services to the Private Fund Clients in respect of prospective or actual portfolio company investments and also may provide similar services to the portfolio companies in which the Private Fund Clients invest. Their compensation is not subject to offsets (i.e., consultant payments are made by the Private Fund Client or the relevant portfolio companies and are not offset against the applicable management fee). Also, consultants may, in connection with their services to the portfolio companies, receive incentive compensation from the portfolio companies similar to that provided to the portfolio company's senior management, unaffiliated board directors or, if there are no unaffiliated board directors, incentive compensation customarily provided by similar companies to unaffiliated board directors.

#### ALLOCATION OF EXPENSES

PBI LLC and its affiliates may from time to time incur fees, costs and expenses on behalf of more than one Private Fund Client. To the extent such fees, costs and expenses are incurred for the account or benefit of more than one Private Fund Client, (i) if such amounts relate to a specific, consummated investment, each Private Fund Client is generally expected to bear an allocable portion of any such amounts pro rata based on the size of its investment in the entity to which the expense relates (or such other non-pro rata manner as PBI LLC determines, in its sole discretion, to be fair and reasonable), and (ii) if such amounts do not relate to a specific investment, each Private Fund Client will typically bear an allocable portion of any such amounts based on such criteria as PBI LLC determines, in its sole discretion, to be fair and reasonable (in the case of (i) and (ii), subject to the terms of such Private Fund Client's applicable constituent documents). PBI LLC believes that it allocates such fees, costs and expenses on a fair and reasonable basis; however, there is no guarantee that each Private Fund Client will agree to share such fees and expenses as set forth above and, as such, some or all of such fees, costs and expenses may be borne solely by one or more other Private Fund Clients. Further, any methodology used by the PBI LLC and its affiliates to determine the attribution and allocation of such fees, costs and expenses involves inherent conflicts (including the choice of such methodology) and may not result in the perfect attribution or allocation of such fees, costs and expenses. Notwithstanding the foregoing, PBI LLC and its affiliates may in the future develop policies and procedures to address the allocation of expenses (including with respect to insurance premiums) that differ from its current practice.

PBI LLC or its affiliates may from time to time enter into arrangements with service providers that provide for fee discounts for services rendered to PBI LLC, its affiliates and Private Fund Clients. For example, certain law firms retained by PBI LLC or one or more of its affiliates have in the past offered fee discounts for non-investment transaction legal services, such as legal advice in connection with PBI LLC operational, compliance and related matters. Fee discounts and alternative billing arrangements are often negotiated on a case-by-case basis for PBI LLC, its affiliates and each Private Fund Client. Additionally, certain law firms may agree to broken deal or other discounts depending on their overall relationship with PBI LLC and its affiliates and the particular facts and circumstances applicable at such time. There can be no assurance that any such discounts will be offered to any Private Fund Client or that any discounts obtained will benefit such Private Fund Client or any other Private Fund Client, or that discounts and similar arrangements will not change over the term of such Private Fund Client, and PBI LLC and its affiliates have no obligation to require any such discounts to be offered to any Private Fund Client.

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

PBI LLC accepts performance-based fees – that is, fees based on a share of capital gains on or capital appreciation of the assets of a client account. PBI LLC manages both accounts that are charged a performance-based fee and accounts that are charged an asset-based fee.

The Firm recognizes that it may be subject to a conflict of interest with respect to allocations of investment opportunities and transactions among its clients due to its acceptance of both asset-based fees and performance-based fees. The conflict of interest that arises with respect to performance-based fees and the side-by-side management of these accounts with those that do not charge a performance fee is the potential for transactions to be allocated in favor of those accounts that charge a performance-based fee. To mitigate these conflicts, PBI LLC's policies and procedures provide that investment decisions must be made in accordance with the fiduciary duties owed to such accounts and without consideration of the Firm's economic, investment or other financial interests. To meet its fiduciary obligations, the Firm seeks to avoid, among other things, investment or trading practices that systematically over time advantage or disadvantage certain client portfolios. Accordingly, PBI LLC has established and adopted a policy seeking fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time. It is the Firm's policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent, including initial public offerings ("IPOs") and other investment opportunities that might have a limited supply, among its clients on a fair and equitable basis over time.

There exists a potential conflict where carried interest or performance-based fee allocations with respect to clients may create an incentive for PBI LLC to make more speculative investments on behalf of clients than it might otherwise make, in the absence of such performance-based compensation. The carried interest or performance-based fee allocation may pose an incentive for the Firm to allocate more profitable investment opportunities to clients who are charged a higher carried interest, as PBI LLC and its affiliates have the opportunity to receive carried interest distributions based on the success of portfolio investments. Similarly, an incentive exists to make decisions regarding the timing and structure of realizing transactions that may not be in the best interest of investors.

The Firm has monitoring procedures in place to address the aforementioned conflicts of interest. PBI LLC has adopted the Trade Allocation and Aggregation Policy, which is monitored by the Firm's Compliance Department ("Compliance"). Any discrepancies noted by Compliance are discussed with the applicable portfolio managers and adjustments are made as necessary.

### Private Investment Funds Only

#### INVESTMENT OPPORTUNITY ALLOCATION

PBI LLC will be required to offer investment opportunities to each Private Fund Client in accordance with the applicable provisions of each Private Fund Client's constituent documents. PBI LLC and its affiliates are, from time to time, presented with investment opportunities that fall within the investment objectives of multiple Private Fund Clients and, in such circumstances, PBI LLC seeks to allocate such opportunities (including any related co-investment opportunities) among such Private Fund Clients in accordance with its allocation policy as in effect from time to time in order to ensure that each Private Fund Client is treated in a manner that, over time, is fair and equitable. Certain inherent conflicts of interest arise from the fact that (i) PBI LLC provides investment management services to more than one Private Fund Client and (ii) Private Fund Clients have one or more overlapping investment strategies. PBI LLC's current allocation policy provides that investment opportunities will be allocated taking into account (a) suitability considerations, including investment objectives and strategies, (b) available capital, (c) Private Fund Client specific portfolio restrictions, (d) portfolio composition, (e) cost, (f) current market conditions, (g) accounting, regulatory or other compliance related issues and (h) any other information determined to be relevant to the fair

allocation of the investment opportunity to each Private Fund Client, including but not limited to, the sourcing of transactions, the amount of potential follow-on investing that may be required for such investment and the other portfolio investments of such Private Fund Clients, reasons of portfolio balance, and the nature and extent of involvement in the transaction on the part of the respective teams of investment professionals for such Private Fund Clients. No assurance can be given that the current criteria will not be updated or changed or that individual allocation decisions will necessarily be demonstrably fair or equitable under the particular circumstances in which they are viewed.

PBI LLC will have the discretion to construct what in its business judgment constitutes an appropriate investment portfolio for each Private Fund Client. As such, in determining what it believes to be an appropriate portfolio for a particular Private Fund Client, PBI LLC may give consideration to factors in addition to those outlined above.

As a result, in certain circumstances investment opportunities suitable for a Private Fund Client may not be presented to such client. Moreover, certain Private Fund Clients may receive priority with respect to certain investment opportunities. There can be no assurance, however, that the application of the allocation policies described above will result in the allocation of a specific investment opportunity to a Private Fund Client, that a Private Fund Client will participate in all investment opportunities falling within its investment objective, or that such investment opportunity may not be disproportionately allocated to one Private Fund Client versus another Private Fund Client.

Generally, co-investment opportunities will be allocated if PBI LLC determines that there is excess capacity in a particular investment opportunity. Please see “Co-Investments” below for further details.

**Co-Investments.** PBI LLC or its affiliates may, in their sole discretion, provide co-investment opportunities to one or more current or future Strategic and Relationship Co-Investors (as defined below), as well as certain limited partners or other investors of any Private Fund Client, Private Fund Clients, PBI LLC sponsored funds or investors thereof, PBI LLC or its affiliates and direct or indirect owners, officers and employees thereof, or others. Strategic and Relationship Co-Investors will be determined by PBI LLC or its affiliates in their sole discretion, may include current or future limited partners or other investors of any Private Fund Client, Private Fund Clients, PBI LLC sponsored funds or investors thereof, PBI LLC or its affiliates and direct or indirect owners, officers and employees thereof and/or third parties, and will be persons that provide, or are expected to provide, strategic benefits in connection with sourcing or consummating the investment opportunity or following consummation of the investment, such as operational or similar strategic benefits, committed financing or lending support, certainty or expediency of closing, support in diligence or industry expertise, provision of directors, benefits to the investment in terms of regulatory or tax profile, or otherwise (each, a “Strategic and Relationship Co-Investor”). Co-investment opportunities will be offered on a case-by-case basis, to the extent available and appropriate, but PBI LLC and its affiliates will be under no obligation to offer any such opportunity to any limited partner or other investor of a Private Fund Client, or other potential Strategic and Relationship Co-Investor. PBI LLC has provided certain senior management and investment team members with opportunities to co-invest alongside Private Fund Clients and separate accounts managed by PBI LLC or its affiliates and may offer similar co-investment opportunities in the future.

Co-investments may be offered by PBI LLC or its affiliates in their discretion to the extent that (i) the size of a particular investment opportunity exceeds the aggregate desired allocation to the Private Fund Client for which the investment opportunity would be appropriate and/or (ii) there is adequate interest of prospective investors, including Strategic and Relationship Co-Investors. Co-investments may be structured through investment vehicles or similar arrangements organized to facilitate such investments for legal, tax, regulatory or other purposes (each, a “Co-Investment Vehicle”).

A Co-Investment Vehicle may include an entity (i) that invests side-by-side with a Private Fund Client or (ii) into which a Private Fund Client invests together with other co-investors, each which entities and/or co-investors may be managed by, or otherwise affiliated with, PBI LLC or its affiliates. PBI LLC or its affiliates



may structure and consummate co-investments in such manner as PBI LLC or its affiliates shall determine in their sole discretion, which may involve transactions between a Private Fund Client and one or more co-investors or Co-Investment Vehicles, including but not limited to (a) a simultaneous side-by-side investment, (b) the assignment of contractual rights to participate in a transaction, (c) the post-closing transfer of interests or assets, (d) the pre- or post-closing issuance or transfer of interest in a Co-Investment Vehicle, (e) guarantees, indemnities or back-to-back obligations, or (f) such other structures, transactions or accommodations as PBI LLC or its affiliates, in their sole discretion, deems necessary or desirable for a Private Fund Client and its co-investors to complete the transaction. Potential investors should be aware that the interest of a Private Fund Client and the investors of such Private Fund Client may conflict with the interests of the co-investors or other investors of such Co-Investment Vehicles. PBI LLC or its affiliates may require a Private Fund Client, any co-investor, any Co-Investment Vehicle or other third party to compensate any other party for warehousing investments, timing differences in respect of capital invested or the provision of any guarantees, indemnities or other financial accommodations. Such compensation, if any, shall be in such amounts as PBI LLC or its affiliates deem reasonable, in their sole discretion, under the circumstances. The participation by a Private Fund Client in a Co-Investment Vehicle with one or more co-investors may cause such Private Fund Client to bear more or less expenses than if such Private Fund Client were to not participate in such Co-Investment Vehicle (examples of such expenses include audit costs of the Co-Investment Vehicle, legal, auditing, tax, administrative and other professional fees associated with forming, offering, syndicating, administering and winding up the Co-Investment Vehicle). Syndication of an investment to co-investors may occur before or after the closing of the applicable transaction. There can be no assurance that PBI LLC or its affiliates will successfully syndicate any co-investment opportunity and, in such instances, a Private Fund Client may bear more than its desired amount of such investment and, as a result, a greater amount of the fees, costs and expenses associated therewith.

PBI LLC will allocate co-investment opportunities among co-investors in any manner it so determines, taking into account those factors that it deems relevant under the circumstances, including, but not limited to: (i) the strategic value of a potential co-investor to such co-investment opportunity, including the ability to help consummate the investment, operate or monitor the investment, or other considerations that PBI LLC believes would provide value in connection with the investment; (ii) the ability of a prospective co-investor to analyze or consummate a potential co-investment opportunity on an expedited basis; (iii) available financial, operational, or other resources of a potential co-investor; (iv) whether a prospective co-investor has expressed an interest in participating in co-investment opportunities (including, for example, by election in such investor's side letter); (v) whether PBI LLC believes the potential co-investor will make a good partner in connection with the investment; (vi) whether or not the prospective co-investor is willing to pay carried interest and management fees; (vii) whether a prospective co-investor has previously declined to participate in a co-investment opportunity (and the number of times such prospective investor has previously declined); (viii) likelihood that the potential co-investor would require governance rights (versus assuming a more passive role) that would complicate or jeopardize the co-investment opportunity; (ix) the character or nature of the co-investment opportunity (e.g., its size, structure, geographic location, relevant industry, tax characteristics and any contemplated minimum commitment threshold); (x) tax profile of the potential co-investor and tax treatment of the co-investment opportunity and attendant structuring considerations; (xi) whether a potential co-investor's participation would subject such co-investment opportunity to additional regulatory requirements or scrutiny; (xii) any existing investment position in such co-investment opportunity by the potential co-investor or any direct or indirect interest held in any competitors; (xiii) confidentiality or conflict concerns that may arise in connection with the provision of information relating to the co-investment opportunity to the potential co-investor; (xiv) whether the potential co-investor has any known investment policy restrictions or guideline limitations, or other regulatory or public relations concerns relevant to the co-investment opportunity; (xv) whether the expected holding period and risk-return profile of the co-investment opportunity is consistent with the goal of the potential co-investor; (xvi) whether, if applicable, the Private Fund Client's governing documents require PBI LLC to offer such co-investment opportunity to such prospective co-investor; (xvii) the timing and size of a potential co-investor's investment in a Private Fund Client and/or other investments in entities managed by the PBI LLC, and (xviii) any other factor determined by PBI LLC to be relevant to the relationship of a particular investment opportunity to a given potential co-investor. Notwithstanding the foregoing, PBI LLC may in the

future revise or update its existing policies and procedures regarding the allocation of co-investment opportunities. Such policies and procedures may differ from PBI LLC's current practice.

PBI LLC or its affiliates will be under no obligation to provide co-investment opportunities to any particular person and may offer a co-investment opportunity to one or more of the categories of co-investors described above without offering such opportunity to the other categories of co-investors. In any event, no category of co-investors described above should have any expectation of receiving a co-investment opportunity nor will any such co-investors described above be owed any duty or obligation in connection with co-investment opportunities.

**Terms of Co-Investment Opportunities.** Certain investors co-investing with a Private Fund Client may invest on different and/or more favorable terms than such Private Fund Client and may have interests or requirements that conflict with and adversely impact such Private Fund Client. PBI LLC will generally seek to cause such Private Fund Client and other PBI LLC related investors will participate in any co-investment and any related transaction on comparable economic terms vis-a-vis the underlying opportunity to the extent PBI LLC deems appropriate, subject to legal, tax, regulatory and other similar considerations. Such comparable participation may not be appropriate in all circumstances and the Private Fund Client may participate in such investment on different and potentially less favorable economic and/or non-economic terms than such parties (or that the Private Fund Client would participate on if such parties were not co-investors) if PBI LLC deems such participation as being otherwise in the Private Fund Client's best interests. PBI LLC or its affiliates may (or may not) in their discretion: (i) charge carried interest, incentive allocation, management fees or other similar fees to co-investors; (ii) make an investment, or otherwise participate, in any vehicle formed to structure a co-investment to facilitate, among other things, receipt of such carried interest, incentive allocation, management fees or other similar fees; (iii) recover expenses incurred in connection with actual or contemplated portfolio investments that are the subject of such co-investment arrangements; and (iv) allocate and/or share the transaction fees, commitment fees, break-up fees, advisory fees, banking fees, directors' fees, monitoring fees or other similar fees ("Investment-Related Fees") earned in respect of a co-investment with certain co-investors co-investing with a Private Fund Client. While generally any Investment-Related Fees attributable to Investments of a Private Fund Client will offset each investor in such Private Fund Client's share of subsequent management fees, the amount of such fees allocable to co-investors will not result in an offset of the management fee payable by investors with respect to such Private Fund Client. Additionally, to the extent, co-investors do not agree to or do not otherwise bear fees, costs and expenses related to co-investments, PBI LLC expects such fees, costs and expenses will be borne by the relevant Private Fund Client (in accordance with the constituent documents of such Private Fund Client) or, if consistent with their governing documents, by the other relevant Private Fund Clients on whose behalf PBI LLC or its affiliates evaluated and pursued such investment. Senior management consultants and investment team members will not bear fees, costs and expenses related to unconsummated co-investments.

The terms of any co-investment will be determined by PBI LLC or its affiliates on a case-by-case basis in their sole discretion and any opportunity may be presented on an as is basis and may therefore not be suitable for certain co-investors due to legal, tax, regulatory or similar considerations. In addition, PBI LLC or its affiliates may be incentivized to allocate or prioritize allocations of co-investments to co-investors that have more favorable terms for PBI LLC or its affiliates.

**Carried Interest Clawback.** The constituent documents of certain Private Fund Clients contain Clawback provisions as more specifically described in the Fee Schedule section (Item 5) above.



## Item 7 - Types of Clients

### Description

PBI LLC provides discretionary and non-discretionary investment advice to, among others, individuals, banks or thrift institutions, registered investment companies, insurance companies, pension and profit sharing plans, trusts, estates, charitable organizations, Private Investment Funds, and other corporations and business entities.

To help fight the funding of terrorism and money laundering activities, U.S. federal law requires the Firm to obtain, verify and record information that identifies clients who open accounts, or investors that subscribe through the Firm for an interest in a Private Investment Fund managed by the Firm. This means that PBI LLC will ask for information from the clients/investors to verify their identity in a manner consistent with applicable requirements that will allow PBI LLC to identify the clients/investors. PBI LLC may also share that information as required by applicable law or in connection with the execution of trades on behalf of clients/investors.

### Account Minimums

The minimum account size for most separate accounts is \$25 million; however, in exceptional circumstances these minimum sizes can be negotiated. There is generally a \$1 million minimum value for maintaining an account; however, this minimum may also be negotiated. In addition, the Firm offers other structures where investors may participate in investment products through commingled vehicles for smaller minimum account sizes.

Please refer to the Fees and Compensation section within this Brochure for fee schedules.

Also, please refer to Form ADV Part 1A, Schedule D, Section 7.B(1), located on the SEC's website, for additional information related to account minimums for Private Investment Funds.

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

### Methods of Analysis

PBI LLC research analysts and investment personnel conduct research to formulate investment advice (for the portfolio management team) used to manage assets.

PBI LLC's security analyses include charting, fundamental, technical, and cyclical methodologies. The Firm may apply quantitative strategies to its selection of securities and construction of portfolios. The Firm's research analysts and investment personnel may use financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the SEC, and company press releases as their sources of information. PBI LLC may also use financial databases as a resource to make portfolio management decisions.

PBI LLC tailors advisory services in accordance with the particular client objective, and therefore investment strategies vary. In general, investment strategies used to implement any investment advice given to clients may include long term purchases (securities held at least one year), short term purchases (securities sold within a year), trading (securities sold within 30 days), short sales, margin transactions, and option writing, including covered options, uncovered options, spreading strategies, or other derivatives. PBI LLC may also use futures and forward foreign exchange contracts to implement its investment advice.

Investing in securities involves risk of loss that clients should be prepared to bear. The following sections, "Investment Strategies and Risks" and "Risk of Loss" describe certain of such risks.

### Investment Strategies and Risks

#### *Alternatives*

PBI LLC leverages its broad alternative investment capabilities across strategies, geographies and markets to deliver an ever-evolving and diverse range of investment opportunities. The Firm has a comprehensive and experienced private equity investment platform with a full suite of primary and secondary funds of funds and direct investments in structured capital, private credit and emerging markets. PBI LLC, or an affiliate, acts as a general partner, managing member, investment manager, or otherwise exercises investment discretion with respect to these products in which clients are solicited to invest. Strategies within alternatives include funds of funds, focusing on primary private equity, private equity secondaries and private credit, structured capital and private credit. Interests in alternative investments are speculative, may be leveraged, and involve a significant degree of risk. Investors may lose all or a significant portion of their invested capital. There is generally no secondary market for such investments, nor is one expected to develop; additionally, there are restrictions on transferring interests. Alternative investment strategies may have performance fees and higher management fees, which can affect investment performance. With respect to certain alternative strategies, PBI LLC may directly or indirectly use exchange traded derivatives (such as commodity futures and options on futures) and over-the counter derivatives (such as credit default swaps, interest rate swaps and foreign currency transactions). The use of derivatives is a highly specialized activity that involves investment techniques and risks different from those associated with ordinary investment transactions. Strategies that involve the use of over-the-counter derivatives present many risks that may result in loss such as counterparty credit risk, lack of liquidity and risk related to leverage and adverse market conditions. Some of the primary risks associated with exchange traded derivatives include risks related to price volatility, excessive leverage and speculative position limits and price limits.

### ***Equity and Related Strategies***

PBI LLC's equity strategy has a wide product offering, including global, international, regional and country. It also offers small, mid and large cap, research enhanced and socially responsible products. The Firm's equity strategies present many risks that may result in loss of investment value, and may include market, issuer, or strategy risks. Strategies that include international investing present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting, and the lesser degree of accurate public information available. Certain strategies may involve frequent trading of securities, which can affect investment performance through increased brokerage and other transaction costs and taxes. In addition, the Firm may employ a strategy that aims to replicate the movements of an index of a specific financial market (which may include debt securities), or a set of rules of ownership that are held constant, regardless of market conditions. Products that utilize an index tracking strategy may suffer a risk of loss, including as a result of tracking error.

### ***Private Credit Strategies***

The Firm's private credit strategies present many risks that may result in the loss of investment value, and may include market, credit, interest rate, leverage, liquidity or prepayment risks. Middle market senior loans generally will be unrated or if rated will have ratings or implied or imputed ratings below investment grade. The lower rating of such loans reflects a greater possibility that adverse changes in the financial condition of the borrower or in general economic conditions (including, for example, a substantial period of rising interest rates or declining earnings) or both may impair the ability of the borrower to make payment of principal and interest. Mezzanine and other junior capital securities will typically be subordinated to the senior obligations of an issuer, either contractually or structurally, in the case of debt securities, or because of the nature of the security, in the case of preferred stock, common stock or other equity securities. Such subordinated investments may be characterized by greater credit risks than those associated with the senior obligations of the same issuer. Adverse changes in the financial condition of an issuer, general economic conditions, or both may impair the ability of such issuer to make payments on the subordinated securities and result in defaults on such securities more quickly than in the case of the senior obligations of such issuer.

### ***Fixed Income and Related Strategies***

PBI LLC's fixed income strategy has a scalable platform with capacity. With a stable and experienced investment team, research-intensive independent credit analysis is conducted for the diversified product offerings. The strategies within fixed income include Leveraged Loans and High Yield Bonds, U.S. Investment Grade, Emerging Markets and International Bonds. The Firm's fixed income strategies present many risks that may result in the loss of investment value, and may include market, issuer, credit, interest or strategy risks. Strategies that include international investing present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the lesser degree of accurate public information available.

### ***Multi-Asset Strategies***

PBI LLC's Multi-Asset strategy is an intermediate-term, forward-looking approach that seeks to benefit from market appreciation, while managing risk during periods of stress. Being a multi-asset, multi-strategy, multi-geography manager enables the Firm to provide global dynamic asset allocation products and services. The Multi-Asset team at PBI LLC believes that fundamentals ultimately drive the markets, and market prices converge towards fundamentals in intermediate term. This intermediate time frame sits between a pure tactical approach and a strategic approach.

To the extent a strategy is available as a Private Investment Fund, additional applicable risks can be found in the fund's private placement memorandum.

## Risk of Loss

The strategies described in the section above relate to a variety of investments, each of which can fluctuate in value. The value of portfolios PBI LLC manages may fall as well as rise, and the investor may not receive the full amount originally invested. The investment risks vary between different types of investments. For example, for investments involving exposure to a currency other than that in which the portfolio is denominated, changes in the rate of exchange may cause the value of investments, and consequently the value of the portfolio, to go up or down. In the case of a higher volatility portfolio the loss on realization or cancellation may be very high (including total loss of investment) as the value of such an investment may fall suddenly and substantially.

The following is a summary of some of the material risks associated with the strategies utilized by PBI LLC. This summary does not attempt to describe all of the risks associated with an investment in a fund or separate account advised by PBI LLC.

Further information related to risks relevant to alternative investment funds advised by PBI LLC and their strategies should be reviewed in the offering memoranda and other documents provided to investors in pooled investment vehicles or the IMA of each institutional separate account. Such documents are available only to current investors or prospective investors who are eligible to invest in such entities, and to advisory clients, as determined in the sole discretion of PBI LLC.

## ***Alternatives***

The risks with respect to alternatives relate to the pooled investment vehicles through which they are generally effected, as well as the risks of the underlying investments, which may include, without limitation, U.S. and non-U.S. equity and equity-related securities, U.S. and non-U.S. debt instruments and other fixed income financial instruments (all of which may be publicly-traded or privately-held), exchange traded and over-the-counter derivatives, currencies, warrants and other financial instruments. Risks related to financial instruments are described below. The investment vehicles may make direct investments in financial instruments or may invest in other pooled investment vehicles that effect transactions in financial instruments. PBI LLC also provides advice with respect to managed accounts that invest in private equity and hedge funds and that invest directly in financial instruments.

## ***Material Risk Factors Generally Associated with Private Investment Fund and Hedge Fund Strategies***

### Private Investment Funds, Hedge Funds, and Funds of Funds - General

The risks set forth below generally apply to an investment in private fund strategies (including CLOs), whether managed by PBI LLC or third parties.

***Nature of Investments.*** Investments in funds are generally illiquid, long-term commitments, which are speculative and involve a high degree of risk. Regardless of current or future market conditions, certain underlying assets held by funds will have only a limited trading market (or none). The fund's investment in illiquid assets may restrict its ability to dispose of investments in a timely fashion and for a fair price, as well as its ability to take advantage of market opportunities.

***General Economic Conditions.*** General economic conditions may significantly affect a fund's activities negatively and could cause it to incur losses. To the extent that economic and business conditions are poor or deteriorating, non-performing assets are likely to increase, and the value and collectability of the assets of a fund are likely to decrease. Poor or deteriorating economic conditions may affect obligors of assets of a fund differently. Certain types of events, such as political events or global health crises, may cause or exacerbate poor or deteriorating economic conditions in a manner that is difficult to predict. Investments involve varying degrees of business and financial risk that can result in substantial losses to a specific investment or investment portfolio. In particular, risks could arise from changes in the financial condition

or prospects of the businesses, industries or countries in which investments are made for funds. Changes in national or international economic and market conditions (which can be sudden and extreme), and changes in laws, regulations, fiscal policies or political conditions of countries in which investments are made, including the risks of war and the effects of terrorist attacks or viral epidemics or pandemics can significantly impact fund investments.

*Delegation of Control.* All decisions with respect to the investment and trading activities of each fund will be made by its investment manager or general partner. Investors will not take any part in the management or control of any fund. With respect to funds of funds, PBI LLC has no ability to predict or control investments that will be made by the underlying fund advisers and general partners, so profitability of investments in such funds will be dependent upon their expertise, and though PBI LLC will attempt to monitor the performance of each underlying adviser, if an adviser does not operate in accordance with its investment strategy or any guidelines, or if the information furnished thereby is not accurate, a fund may sustain losses with respect to its investment with the underlying adviser despite monitoring efforts. Further, the death, incapacity or retirement of any key personnel of any of such advisers may adversely affect investment results, and though the advisers will be subject to certain fiduciary duties, there can be no assurances against fraud, misappropriation or other misconduct by any adviser.

*Different Terms Offered and Existence of Side Letters.* Certain investors may be permitted to invest on different terms than other investors, including with respect to liquidity, transparency, subscriptions and fees. In general, for fund entities, the general partner, on its own behalf or on behalf of the fund entities, may under the respective partnership agreement of such fund entity, without the approval of any other limited partner, enter into side letters with any limited partner or proposed limited partner with respect to the fund entities which have the effect of establishing rights under, or altering, amending or supplementing the terms of the partnership agreement of such fund entity and any subscription agreement. The terms of any such side letter may grant to a limited partner a right or rights not granted to other limited partners in particular, without limitation, in relation to (i) service on the limited partner advisory committee; (ii) consent to specified transfers; (iii) particular restrictions around the disclosure of a limited partner's identity and the right to disclose information related to the fund to specified persons; (iv) co-investment rights; (v) excuse or exclusion from certain investments; (vi) tax and regulatory reporting; (vii) arrangements with respect to specific legal or regulatory provisions or administrative or constitutional requirements applicable to the recipient of such side letter (including its status as an ERISA-governed pension plan or fiduciary or as a sovereign or quasi-sovereign entity); or (viii) representations and warranties made by the limited partners. The benefit of any other preferential terms offered to a limited partner in a side letter may be offered to the other limited partners subject to the satisfaction of any conditions (including as to timing or size of commitment or the nature of a particular limited partner) on which such terms were offered.

*Substantial Fees and Expenses Payable Regardless of Profits.* Each fund will incur obligations to pay its expenses (which may include, without limitation, management fees, performance fees or allocations, transaction costs, operating, accounting, auditing, research and due diligence expenses), which are payable regardless of whether any profits are realized, and each fund of funds will also bear its proportionate share of the fees and expenses of the underlying private equity or hedge funds.

*Compliance with Employee Retirement Income Security Act ("ERISA") Restrictions.* Certain funds may restrict transfers or purchases so that ownership of each class of equity interests by benefit plan investors will remain below 25% in order to not be treated as plan asset entities or may seek to comply with other exemptions from being treated as plan asset entities such as the venture capital operating company ("VCOC") exemption. In the event that a redemption would cause a fund to exceed the 25% threshold, certain investors may be required to redeem so that the fund may remain below the 25% threshold. If the assets of a fund were to become "plan assets," certain investments made or to be made by the fund in the normal course of its operations might result in non-exempt prohibited transactions and might have to be rescinded.

***Tax Risks.*** With respect to each fund, the applicable tax risks will be different depending on, among other things, the strategy of the fund, the asset classes in which it invests, and the profile of the relevant investor. In addition, there may be changes in tax laws or interpretations of such tax laws adverse to a fund or its investors.

***Lack of Regulation.*** Private funds (including CLOs) and hedge funds are generally not registered under the Investment Company Act of 1940 (the “Investment Company Act”), as amended, or the Securities Act of 1933, as amended. Accordingly, the funds will not be subject to certain regulations applicable to registered funds.

***Applicable Law and Regulatory Developments.*** Each fund must comply with various legal requirements, including requirements that may be imposed by U.S. federal securities laws and tax laws, and regulations of the jurisdiction of the relevant fund and jurisdictions in which the fund invests, as well as laws, rules and regulations of jurisdictions in which investors in the fund are domiciled (including the EU, the UK and Japan). Should any of those laws or regulations change, the legal requirements to which the fund and its investors may be subject could differ materially from current requirements. Events during the past several years and adverse financial results have focused attention upon the necessity to maintain adequate risk controls and compliance procedures. These events have led to increased governmental and self-regulatory authority scrutiny of the financial industry. Various national governments have also expressed concern regarding disruptive effects of speculative trading and the need to regulate the markets in general. Any regulations that restrict trading activities could adversely impact profit potential. The regulatory environment for private funds and hedge funds is evolving, and changes in the regulation of such funds and their investments may adversely affect the value of investments held by the funds and their ability to pursue their investment strategy. The inability or failure of a fund to comply with applicable regulatory obligations could have material adverse consequences to the fund, the manager and/or investors in the fund.

***Emerging Markets.*** Emerging markets in particular are generally not as efficient as those in developed countries. Volume and liquidity levels in emerging markets tend to be lower than in developed countries. When seeking to sell interests in emerging markets, little or no market may exist. In addition, issuers based in emerging markets may not be subject to uniform accounting and financial reporting standards, practices and requirements comparable to those applicable to issuers based in developed countries, thereby potentially increasing the risk of fraud or other deceptive practices. Furthermore, the quality and reliability of official data published by the government or securities exchanges in emerging markets may not accurately reflect the actual circumstances being reported.

### Private Equity Investments

The risks set forth below generally apply to an investment in private equity strategies that directly invest in equities, fixed income instruments, and other financial instruments, as well as interests in other private equity funds, whether managed by PBI LLC or third parties.

***Competition; Failure to Be Fully Invested.*** Competition with other investors may prevent identification of a sufficient number of attractive opportunities to meet the investment objectives of the fund. To the extent funds are not invested in transactions fulfilling long-term investment objectives, the fund may not achieve its investment objectives. Some of a fund’s competitors have greater resources or different return criteria than the fund, and may have greater access to secondary investment opportunities and greater ability to complete investments than the fund, any of which affords them a competitive advantage.

***Reliance on Management of Portfolio Companies.*** Each fund will rely upon the management of the portfolio companies for day-to-day operations. No assurance can be given that a portfolio company will be able to attract and retain the qualified personnel necessary for success or that it will be successful.

***Risks upon Disposition of Certain Investments.*** Sales of portfolio companies may result in contingent liabilities (e.g., indemnification obligations), which might ultimately have to be funded by the investors to the extent that they have received prior distributions.

***No Control over Drawdown Schedules of Underlying Funds.*** A fund of funds will not have control over the drawdown schedules of its underlying funds.

***Importance of Valuations and Structuring of Acquisitions.*** Overall performance will depend in large part on the acquisition price paid by the fund for its investments. The valuation of investments may be based on limited information and is subject to inherent uncertainties and performance will be adversely affected in the event the valuations assumed in the course of negotiating acquisitions of investments prove to have been too high.

***Consequences of Failure to Satisfy Capital Calls.*** If an obligation to make capital contributions when due is not made, significant penalties may be imposed, which could have a material adverse effect on the value of an investment.

***Minority Investments.*** A fund's investments will generally represent minority interests in portfolio companies and it may hold minority voting positions (if any) on the boards of directors of certain portfolio companies. A fund may not be able to control or exercise substantial influence over such portfolio company.

***Follow-On Investments.*** A fund may be called upon to provide follow-on funding for its investments or have the opportunity to increase its investment in such investment. There can be no assurance that a fund will be directed to make a follow-on investment or that it will have sufficient funds to do so.

***Political Risks.*** Investments may be subject to changing political environments, regulatory restrictions and changes in government institutions and policies, any of which could adversely affect private investments, and the funds do not intend to obtain political risk insurance.

***Non-Public Information.*** From time to time, a fund's investment manager may come into possession of material, non-public information concerning an entity in which a fund has invested, or proposes to invest, and the possession of such information may limit the ability of the manager to buy or sell securities of such entity on behalf of the fund.

***Distributions in Kind.*** A fund may distribute the proceeds of certain investments in securities or other non-cash property as set forth in the applicable fund's governing documents. Any such in-kind distribution, which may be highly illiquid and may be required to be held for an indefinite period of time, could put downward pressure on the price of the issuer's securities. In addition, the fund's investors may incur costs and delays in converting securities into cash. Nevertheless, the distribution price of such securities will be established under the provisions of applicable governing documents and will not be adjusted to reflect actual sale prices obtained by the investors.

***Control Positions.*** A fund may be deemed to have a control or management position with respect to one or more of the portfolio companies in which it has an investment. This in turn could expose the fund to risk of liability for environmental damage, product defects, failure to supervise management, violation of governmental regulations and other types of liability in which the generally limited liability characteristic of business operations may be ignored.

***Illiquid Nature of Investment.*** Investors in a private equity fund will generally not be permitted to redeem their shares/interests.

***Leverage.*** Certain of the portfolio companies in which a fund invests may utilize leverage. Leveraging enhances the ability to acquire assets, but also amplifies net profits and losses and increases transaction costs.



*Investments Longer than Term.* A fund may make investments that may not be fully realized or disposed of prior to the date of termination of such fund. As a result, the fund may have to sell, distribute or otherwise dispose of investments at a disadvantageous time for a price that is less than the price that could have been obtained if the investments were held for a longer period of time.

#### Private Credit Investments

The risks set forth below generally apply to an investment in private credit strategies that make direct loans to companies, whether managed by PBI LLC or third parties.

*Competition; Failure to Be Fully Invested.* Competition with other investors may prevent identification of a sufficient number of attractive opportunities to meet the investment objectives of the fund. To the extent funds are not invested in transactions fulfilling long-term investment objectives, the fund may not achieve its investment objectives. Some of a fund's competitors have greater resources or different return criteria than the fund, offer lower interest rates, have different risk tolerances, have lower cost of capital and access to funding sources, and otherwise have greater ability to complete investments than the fund, any of which affords them a competitive advantage.

*Reliance on Management of Portfolio Companies.* Each fund will rely upon the management of the portfolio companies for day-to-day operations. No assurance can be given that a portfolio company will be able to attract and retain the qualified personnel necessary for success or that it will be successful.

*Difficulty in Valuation.* It is anticipated that there will be no readily available market for a substantial number (if not all) of each fund's investments, and therefore, most of the investments will be difficult to value.

*Nature of Loans Generally.* A fund may be exposed to losses resulting from default and foreclosure of any loans or interests in loans in which it has invested. Therefore, the value of underlying collateral, the creditworthiness of borrowers and the priority of liens are each of great importance in determining the value of a fund's investments.

*Nature of Middle Market Senior Loans.* Middle market senior loans generally will be unrated or if rated will have ratings or implied or imputed ratings below investment grade. The market for lower-rated and comparable non-rated debt instruments and securities is thinner, often less liquid, and less active than that for higher-rated and comparable non-rated debt instruments and securities, which can adversely affect the prices at which such debt instruments and securities can be sold and may even make it impracticable to sell such debt instruments and securities. Loans to middle market companies may carry more inherent risks than loans to larger, publicly-traded entities.

*Subordination.* Mezzanine and other junior capital securities will typically be subordinated to the senior obligations of an issuer, either contractually or structurally, in the case of debt securities, or because of the nature of the security, in the case of preferred stock, common stock or other equity securities. Such subordinated investments may be characterized by greater credit risks than those associated with the senior obligations of the same issuer. Adverse changes in the financial condition of an issuer, general economic conditions, or both may impair the ability of such issuer to make payments on the subordinated securities and result in defaults on such securities more quickly than in the case of the senior obligations of such issuer.

*Interest Rate Risk.* Interest rate fluctuations may have a substantial negative impact on a fund. A reduction in the interest rates on new investments relative to interest rates on current investments could also have an adverse impact on a fund's net investment income. An increase in interest rates could decrease the value of any investments a fund holds with interest rate floors above prevailing rates or earning fixed interest rates, and also could increase the Fund's interest expense, thereby decreasing its net income.



**Prepayment Risk.** The frequency at which prepayments (including voluntary prepayments by obligors and accelerations due to defaults) occur on loans will be affected by a variety of factors, including the prevailing level of interest rates and spreads, as well as economic, demographic, tax, social, legal and other factors. In the case of some loans, having the loan prepaid may reduce the achievable yield for a fund, which could have a material adverse effect on such fund's business, financial condition and results of operations.

**Creditors' Rights.** A Fund's investments and the collateral underlying those investments will be subject to various laws for the protection of creditors in the jurisdictions of the investments concerned. Such differences in law may also adversely affect the rights of a fund as a lender with respect to other creditors.

**Syndicated Loan Risk.** In the event that a fund is unable to syndicate a loan or loans as intended, such fund would be forced to retain larger amounts of such loan or loans than originally intended by such fund. In such an event, such fund's investment portfolio could become significantly concentrated in a particular loan or loans.

**Follow-On Investments.** A fund may be called upon to provide follow-on funding for its investments or have the opportunity to increase its investment in such investment. There can be no assurance that a fund will be directed to make a follow-on investment or that it will have sufficient funds to do so.

**Political Risks.** Investments may be subject to changing political environments, regulatory restrictions and changes in government institutions and policies, any of which could adversely affect private investments, and the funds do not intend to obtain political risk insurance.

**Non-Public Information.** From time to time, a fund's investment manager may come into possession of material, non-public information concerning an entity in which a fund has invested, or proposes to invest, and the possession of such information may limit the ability of the manager to buy or sell securities of such entity on behalf of the fund.

**Distributions in Kind.** A fund may distribute the proceeds of certain investments in securities or other non-cash property as set forth in the applicable fund's governing documents. Any such in-kind distribution, which may be highly illiquid and may be required to be held for an indefinite period of time, could put downward pressure on the price of the issuer's securities. In addition, the fund's investors may incur costs and delays in converting securities into cash. Nevertheless, the distribution price of such securities will be established under the provisions of applicable governing documents and will not be adjusted to reflect actual sale prices obtained by the investors.

**Illiquid Nature of Investment.** Investors in a private credit fund will generally not be permitted to redeem their shares/interests.

**Investments Longer than Term.** A fund may make investments that may not be fully realized or disposed of prior to the date of termination of such fund. As a result, the fund may have to sell, distribute or otherwise dispose of investments at a disadvantageous time for a price that is less than the price that could have been obtained if the investments were held for a longer period of time.

### Hedge Fund Investments

The risks set forth below generally apply to an investment in hedge funds that directly invest in equities, fixed income instruments and other financial instruments, as well as interests in hedge funds, whether managed by PBI LLC or third parties.

**Illiquid Nature of Investment.** Because of the limitations on redemptions and the fact that interests/shares in funds are not tradable, an investment in a fund is relatively illiquid. Additionally, the fund may suspend or postpone redemptions entirely or delay payment for extended periods of time.

***Illiquid Portfolio Investments.*** Hedge funds may invest in assets for which no liquid market exists and may separately account for illiquid investments in “side pockets.” The valuation of illiquid investments may differ materially from the prices at which they are sold, and the redemption proceeds related to illiquid investments may be delayed for long periods of time. In addition, liquidity risk may be exacerbated, as it was by the recent dislocation of U.S. and global financial markets, by future dislocations.

***Possible Effects of Substantial Redemptions.*** Substantial redemptions could, among other things, require liquidation of the positions held by a fund more rapidly than would otherwise be desirable, adversely affect the risk profile of the remaining investments of a fund and/or result in redemptions from a fund being temporarily suspended.

***No Investment Restrictions.*** A fund’s investment manager may not be bound by any particular investment restrictions in pursuing a fund’s investment objectives and in such cases, there will be no concentration or diversification limits with respect to the fund’s direct investments.

***Market Volatility.*** Market volatility may cause sudden and severe reductions in the value of a fund’s investments.

***Mandatory Redemption.*** An investor’s interest/shares in a fund may generally be mandatorily redeemed at any time and potentially result in a loss.

***Valuation; Pricing Information.*** Observable pricing inputs may not always be available from any source with respect to certain investments. Amounts ultimately realized upon the sale or disposition of the relevant asset could differ materially from the valuation inputs provided to the fund.

***Leverage.*** The overall degree of leverage that a fund may utilize, which may arise from borrowings as well as leverage inherent in derivatives, may not be limited to any predetermined level. Leveraging enhances the ability to acquire assets, but also amplifies net profits and losses and increases transaction costs. In addition, if a fund is in a leveraged position, any losses would be more pronounced than if leverage were not used and, under particularly adverse circumstances, could cause a complete loss of the fund’s capital.

***Designated Investments.*** To the extent a fund invests in assets that are or become highly illiquid, those assets may be segregated as designated investments or side pockets. Investors generally may not redeem their interests/shares that participate in designated investments or side pockets prior to a disposition thereof, and therefore may have to retain such interests/shares for years after they have otherwise entirely been redeemed.

***Concentration.*** A portfolio of investments that contains a large concentration in few investments may be subject to greater change in value than a portfolio composed of smaller investments in a greater number of properties or asset classes.

***Currency Risk.*** To the extent unhedged, the value of a fund denominated in one currency with assets denominated in another will fluctuate with the relevant exchange rates. Hedges against currency fluctuations may be utilized but there can be no assurance that they will be effective in preventing loss.

***Counterparty Credit Risk.*** To the extent a fund invests in over-the-counter transactions or enters into certain other transactions (e.g., repurchase agreements) it may take credit risk with regard to parties with whom it trades and may also bear the risk of settlement default.

***Risk of Loss Due to the Bankruptcy or Failure of Counterparties.*** A fund will be subject to various risks related to the insolvency of its counterparties (such as broker-dealers, futures commission merchants, banks or other financial institutions, exchanges or clearinghouses) or the failure of such counterparties to comply with applicable law (including with respect to asset segregation, if applicable).

*Technical Trading Systems.* In a trendless or erratic market, a technical trading system may fail to identify a trend on which action should be taken or may overreact to minor price movements and thus establish a position contrary to overall price trends, which may result in losses.

*Reliance on Quantitative Analysis.* There can be no assurance that quantitative models will be accurate and work as intended, or that they will not result in significant losses. The effectiveness of such models may diminish over time, and attempts to apply existing quantitative models to new markets may prove ineffective.

*Reliance on Fundamental Analysis.* There can be no assurance that a fundamental trading system will enable the accurate valuation of assets or that any anticipated price trends will materialize with respect to such assets.

*Hedging Techniques.* Hedging techniques could result in a loss, regardless of whether the intent was to reduce risk, and may also increase the volatility of instruments.

*Frequent Purchases and Sales.* Frequent purchases and sales may be required by the different trading strategies and will increase the commission costs and certain other expenses.

*Over-the-Counter and Other Derivative Instruments.* Various derivative instruments, including futures, options, forward contracts, swaps and other derivatives may be used, which may be volatile and speculative. Certain positions may be subject to wide and sudden fluctuations in market value, with a resulting fluctuation in the amount of profits and losses. Additional risks may exist because of, among other things, illiquidity, counterparty exposure, leverage and pricing issues (e.g., lack of valuation information).

*Commodities, Futures Trading and Currency Interest Trading.* A principal risk in trading futures and currency interests is the traditional volatility (rapid and wide fluctuation) in the market prices of currencies. Because of the low margin deposits typically required in such trading, a relatively small movement in the market price of a currency interest may result in a disproportionately large profit or loss, depending on the amount of leverage used. Positions in such instruments may also be illiquid. If prices fluctuate during a single day's trading beyond exchange limits, a fund could be prevented from promptly liquidating unfavorable positions and thus be subject to substantial losses.

## CLO Investments

The risks set forth below (together with the risks described under “Private Investment Funds, Hedge Funds, and Funds of Funds – General” above and “Material Risk Factors Generally Associated with Fixed Income Instruments and Related Strategies” below) generally apply to an investment in CLOs, whether managed by PBI LLC or third parties.

*Leverage Risks.* CLOs are highly leveraged investments. The use of leverage has the effect of potentially increasing losses to holders of more subordinated classes of CLO securities. If income and appreciation on investments made with borrowed funds are less than the required interest payments on the borrowings, the value of the CLO's net assets will decrease. Accordingly, any event which adversely affects the value of an investment would be magnified to the extent the investment in a class of CLO securities is leveraged.

*Concentration Risks.* A concentration by a CLO of portfolio assets or collateral securing portfolio assets of a limited number of obligors or obligors within a particular industry or region or a concentration of portfolio assets secured by a limited class of assets could impair a CLO's portfolios if the industry or region were to experience economic difficulties or if the asset class were to fall out of favor in the market. The unfavorable performance of one or more of a CLO's relatively large investments could have a substantial adverse impact on the aggregate returns of the CLO.

**Competition; Failure to Be Fully Invested.** Competition with other investors may prevent identification and acquisition of a sufficient number of assets that meet the investment objectives and investment criteria of a CLO. To the extent funds are not invested in assets fulfilling long-term investment objectives and CLO criteria, the CLO may not achieve its investment objectives and this may result in early termination of the CLO's reinvestment period and/or early redemption of CLO securities.

**Minority Investments.** A CLO will generally only hold minority positions in collateral loans and will generally not be able to control or exercise substantial influence over the exercise of creditor's rights and remedies.

**Certain Conflicts of Interest.** PBI LLC or one or more of its affiliates or one or more funds or accounts managed by PBI LLC or its affiliates may purchase securities issued in connection with CLOs in respect of which PBI LLC acts as collateral manager, either on the closing date of such CLO transaction or otherwise. To the extent that any such person(s) own a majority or greater percentage of the subordinated securities or another class of securities issued in connection with a CLO, they may have the ability influence certain matters that require the consent of the holders of the subordinated securities or such other classes of the respective CLOs. In general, such persons will have the right to vote with respect to any such securities held by them and may have the ability to control certain actions by the CLO issuer as a result. PBI LLC, as collateral manager, is also generally entitled to a subordinated collateral management fee and an incentive collateral management fee in connection with CLO transactions, each of which is a subordinated obligation of the applicable issuer and dependent on the performance of the portfolio. Any holdings of subordinated securities as described above, together with the existence of subordinated collateral management fees and incentive collateral management fees could cause PBI LLC, as the collateral manager, to have interests different from those of holders of the notes of other classes of the applicable CLO and may give PBI LLC an incentive to make investments that are riskier or more aggressive than would be the case in the absence of such ownership interests and fees.

### ***Material Risk Factors Generally Associated with Equity Investments and Related Strategies***

Certain of the risks associated with investing in equities have been discussed above in relation to investing in hedge funds and private equity funds. Set forth below is a description of additional risks associated with investing in equity securities and certain related strategies employed. Such risks are applicable to funds that invest directly in equities and employ the related strategies, and to funds of funds and managed accounts that allocate assets indirectly to equities and that employ the related strategies.

**Equity Securities.** The value of equity securities may fluctuate in response to specific situations for each company, industry market conditions and general economic environments, which may result in losses to a fund.

**Small and Medium Capitalization Companies.** Stocks of companies with small- to medium-sized market capitalizations involve higher risks (e.g., increased volatility) than do investments in stocks of larger companies. Risks also exist because such companies lack the management experience, financial resources, product diversification and competitive strength of larger corporations, and the shares of such companies are generally illiquid.

**Newly Issued Securities.** Prices of newly issued securities may not increase as expected and, in fact, may decline more rapidly than other securities.

**Private Placements and Unregistered Securities.** The market to resell these assets under applicable securities laws may be illiquid, due to restrictions, and liquidation may be taken at a substantial discount to the underlying value or result in the entire loss of the value of such assets.

**Emerging and Less Developed Markets.** Investing in the companies (and governments) of emerging countries with less well regulated markets than the U.S., the UK or other EU countries generally involves significant risks, including without limitation, risks with respect to expropriation, nationalization and general

social, political and economic instability. In addition, foreign equities in less developed markets may involve greater risks than comparable U.S., UK or EU investments because of, among other things, instability of some foreign governments, the possibility of expropriation, limitations on the use or removal of funds or other assets, changes in governmental administration or economic or monetary policy or changed circumstances in dealings between nations.

**Arbitrage Transactions.** The success of arbitrage strategies (whether convertible arbitrage, merger arbitrage, volatility arbitrage, capital structure arbitrage or otherwise) depends often on the ability to execute two or more simultaneous transactions at desired prices. Should such transactions not be executed simultaneously at the desired prices, losses may be incurred on both sides of the transaction.

**Restructurings.** If assets are purchased in anticipation of an acquisition attempt or reorganization and an acquisition attempt or reorganization does not in fact occur, assets may have to be sold at a material loss.

**Global Macro.** This strategy involves taking unhedged long or short positions in various markets. Such unhedged investments may expose a fund to full market risk and are subject to substantial losses.

**Short Sales.** There are many risks related to using short sales, including that losses from short sales may be unlimited if the price of the security sold short continues to appreciate.

**Warrants, Rights and Options.** The value of warrants and options can be very volatile and they can expire worthless, resulting in a loss of the entire investment over a very short time period. In addition, the prices of warrants, rights and options do not necessarily move parallel to the prices of the underlying securities.

**Effect of Socially Responsible Investment Principles.** To the extent a strategy is socially responsible, investment principles may prevent it from making or disposing of an investment it otherwise would have made. Such strategy may earn less profit than it otherwise would have earned had it not been for such principles.

**Indexing Risk.** Where a passive indexing strategy is used – either replication or representative sampling – to manage a portfolio, the portfolio invests in the securities included in, or representative of, its underlying index regardless of their investment merit. There is generally no attempt to outperform a portfolio's underlying indexes or take defensive positions in declining markets; as a result, a portfolio's performance may be adversely affected by a general decline in the market segments relating to its underlying index.

**Index Tracking Risk.** Imperfect correlation between a portfolio of securities and those in the underlying index, rounding of prices, changes to the underlying index and regulatory requirements may cause tracking error, which is the divergence of the portfolio's performance from that of the underlying index. This risk may be heightened during times of increased market volatility or other unusual market conditions. Tracking error also may result because a portfolio incurs fees and expenses while the underlying index does not.

**Quantitative Model Risk.** Investment strategies using quantitative models may perform differently than expected as a result of, among other things, the factors used in the models, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction and implementation of the models.

### ***Material Risk Factors Generally Associated with Fixed Income Instruments and Related Strategies***

Certain of the risks associated with investing in fixed income instruments have been discussed above in relation to investing in hedge funds and private equity funds. Set forth below is a description of additional risks associated with investing in fixed income instruments and certain related strategies employed. Such risks are applicable to funds that invest directly in fixed income instruments (including CLOs) and that employ the related strategies, and to funds of funds and managed accounts that allocate assets indirectly to fixed income instruments and employ the related strategies.



**Investment in Fixed Income Instruments.** The value of fixed income securities will change in response to fluctuations in interest rates and credit quality, which may result in losses.

**Interest Rate Risk.** Adverse interest rate developments, such as interest rate increases, instability, or even increased uncertainty, may be expected to adversely affect the debt markets and render more difficult the achievement of satisfactory returns in such markets. Additionally, during periods of falling interest rates, an obligor to a debt instrument may “call” or repay its higher interest bearing debt instrument before its maturity date, requiring a strategy to invest in new securities with lower interest rates. To the extent that a fund employs leverage (such as a CLO), there may be various mismatches, including rate and basis mismatches, between the interest rates payable on assets of the fund and the interest rate payable on debt obligations of the fund. The fund may or may not have the ability to hedge such interest rate risks and, if a fund does hedge interest rate risks, there can be no assurance that such hedge will be effective and will not have any adverse consequences to the fund or investors in any particular class of fund securities.

The benchmark rate in respect of floating rate fixed income instruments (including CLO debt securities) is frequently a LIBOR-based rate. It is expected that LIBOR will cease to be reported by the end of 2021. If LIBOR is eliminated as a benchmark rate, it is uncertain whether broad replacement conventions in the leveraged loan and CLO markets will develop and, if conventions develop, what those conventions will be and whether they will create adverse consequences for a fund or its investors. If no such conventions develop, it is uncertain what effect broadly divergent interest rate calculation methodologies in the markets will have on a fund or its investors.

**High-Yield Bonds and Leveraged Loans.** High-yield bonds and leveraged loans generally have lower credit ratings (or no credit ratings in some cases) and are subject to greater risk of loss of principal and interest than investment-grade bonds and loans. Such instruments are generally considered to be predominantly speculative with respect to the issuer’s and borrower’s capacity to pay interest and repay principal. The highly leveraged capital structure of the issuers and borrowers in such transactions may make such bonds and loans especially vulnerable to adverse changes in economic or market conditions. The sale and purchase of a leveraged loan are subject to the requirements of the underlying credit agreement governing such leveraged loan. These requirements may limit the eligible pool of potential leveraged loan holders by placing conditions or restrictions on sales and purchases of leveraged loans. Leveraged loans are not traded on an exchange and purchasers and sellers of leveraged loans rely on market makers, usually the administrative agent for a particular leveraged loan, to trade leveraged loans. These factors, in addition to overall market volatility, may negatively impact the liquidity of leveraged loans.

**Non-Investment Grade Securities Risk.** Non-investment grade securities involve greater risk of default or downgrade and are more volatile than investment-grade securities. Non-investment grade securities may also be less liquid than higher quality securities.

**Floating Rate Loan Risk.** The risks associated with floating rate loans are similar to the risks of non-investment grade securities. The value of the collateral securing a floating rate loan can decline, be insufficient to meet the obligations of the borrower, or be difficult to liquidate. As a result, a floating rate loan may not be fully collateralized and can decline significantly in value. Floating rate loans generally are subject to contractual restrictions on resale. The liquidity of floating rate loans, including the volume and frequency of secondary market trading in such loans, varies significantly over time and among individual floating rate loans. During periods of infrequent trading, valuing a floating rate loan can be more difficult, and buying and selling a floating rate loan at an acceptable price can also be more difficult and delayed. Difficulty in selling a floating rate loan can result in a loss. In addition, floating rate loans generally are subject to extended settlement periods in excess of seven days, which may impair the ability to sell or realize the full value of its loans in the event of a need to liquidate such loans.

**Investment-Grade Debt.** Investment-grade debt instruments may possess speculative characteristics and may be more sensitive to economic changes and to changes in the financial conditions of issuers.

**Credit Risk.** Some borrowers and issuers may be unable to make the required payments on senior loans and other debt-related instruments held by a fund. Debt instruments also increase or decrease in value based on the perceived creditworthiness of issuers and borrowers. A default on an investment held by a fund could cause the fund's value to decline.

**Investment in Loans.** A fund investing in loans may be exposed to losses resulting from loan defaults. Additionally, a fund may be unable to sell loans at a time when it may otherwise be desirable to do so or may be able to sell them only at prices that are less than their fair market value.

Funds may be invested in "cov-lite loans", which typically do not have maintenance covenants. Ownership of cov-lite loans may expose the fund to different risks, including with respect to liquidity, price volatility and ability to restructure loans, than is the case with loans that have maintenance covenants.

Funds may also invest in second lien loans, which are loans secured by a pledge of collateral that is subordinated to senior secured obligations of the obligor, or subordinated loans, which are subordinated, unsecured debt obligations of the obligor. Investments in these loans will generally expose the fund to greater credit, insolvency and liquidity risk than is typically associated with investment grade obligations and senior secured obligations.

**Distressed Loans.** Distressed loans may require a substantial amount of workout negotiations and/or restructuring, which may entail, among other things, a substantial reduction in the interest rate and a substantial write-down of the principal of such distressed loans. A risk exists that, upon maturity of the restructured distressed loan, replacement "takeout" financing will not be available and several risks exist with respect to foreclosure on such loans and the related collateral, if any.

**Weak Economy Could Trigger Defaults.** Any substantial economic slowdown could increase delinquencies, defaults and foreclosures and reduce a fund's ability to purchase suitable debt obligations.

**Asset-Backed Securities and Mortgage-Backed Securities (ABS and MBS).** Holders of asset-backed and mortgage-backed securities bear various risks, including prepayment risks, liquidity risks, interest rate risks, market risks, operations risks, structural risks and legal risks. Within mortgage-related securities, there are three main categories: government guaranteed residential mortgages, non-government guaranteed residential mortgages and commercial mortgages. Government guaranteed mortgage backed securities have limited to no credit risk, however the timing of the repayment of principal on those securities is an inherent risk because the underlying mortgages are subject to prepayment risks associated with, among other things, interest rate fluctuations. While non-government guaranteed MBS and commercial MBS carry the aforementioned prepayment risks, they also carry credit risk. Credit risk is an important issue in such securities because of the significant credit risks inherent in the underlying collateral and because issuers are primarily private entities.

**Collateralized Loan Obligations ("CLOs") and Collateralized Debt Obligations ("CDOs").** CLOs and CDOs issue classes or "tranches" of debt and equity that vary in risk and yield, and may experience substantial losses due to actual defaults, decrease of market value due to collateral defaults and the erosion or disappearance of subordinate tranches, market anticipation of defaults, and investor aversion to CLO and CDO securities as a class. The risks of investing in CLOs and CDOs depend largely on the type of the underlying collateral. There is no public market for interests in CLOs and CDOs and such interests may be difficult to sell at an advantageous price or time.

**Lower Credit Quality Financial Instruments.** Lower rated and unrated instruments in which a portfolio may invest have large uncertainties or major risk exposures to adverse conditions, and are considered to be predominantly speculative. Generally, such instruments involve greater volatility of price and greater risk of loss of income and principal.

### ***Material Risk Factors Generally Associated with Multi-Asset Strategies***

As discussed above, PBI LLC manages certain multi-asset investment strategies. Using these strategies, the Multi-Asset team allocates assets in a client's account among various strategies managed by other PineBridge investment teams. The assets are invested according to the underlying strategies using separate accounts, mutual funds, private investment funds or other available vehicles, as appropriate. The Multi-Asset team allocates assets among the underlying strategies in its discretion, consistent with the investment objectives and guidelines associated with the relevant client's account. In some cases, the multi-asset strategy may differ from the underlying strategy managed by other PineBridge investment teams. For example, the multi-asset strategy may be more concentrated or customized than its underlying strategy counterpart.

In making allocation decisions, the Multi-Asset team will have access to detailed information related to the underlying strategies that may not be available to other investors or clients. This includes, but is not limited to, holdings information, transaction detail, performance information and access to other PineBridge investment teams. As a result, the Multi-Asset team may be able to achieve performance results that are better than other clients whose assets are managed using one or more of the underlying investment strategies, but where PBI LLC is not responsible for the client's asset-allocation decisions.

Other risks associated with investing in multi-asset strategies have been discussed above in relation to equity investments, fixed income instruments, hedge funds and private equity funds.

**Multi-Asset Strategy Risk.** Multi-Asset strategies do not assure profit and do not protect against loss.

### ***Securities Valuation***

The Firm's advisory fees normally are calculated based upon the value of clients' portfolios. For the most part, pricing for securities held in client portfolios is provided by independent third-party pricing vendors. However, the Firm has the ability to determine the value of portfolio holdings that are difficult to price, and in such cases has an incentive to select the highest potential price for those securities, although a lower price would also be reasonable. To mitigate the potential conflict, the Firm has created a Global Valuation Committee to oversee the valuation decisions made for the securities held by the Firm's sponsored funds and client portfolios. The Global Valuation Committee includes members from the Firm's control groups such as Legal, Compliance, and Risk Management.

### ***Risks Related to the Discontinuance of the London Interbank Offered Rate ("LIBOR")***

LIBOR is an estimate of the rate at which a sub-set of banks (known as the panel banks) could borrow money on an uncollateralized basis from other banks. The UK's Financial Conduct Authority, which regulates LIBOR, has announced that it will not compel banks to contribute to LIBOR after 2021. It is likely that banks will not continue to provide submissions for the calculation of LIBOR after 2021 and possibly prior to then. It is uncertain whether or for how long LIBOR will continue to be viewed as an acceptable market benchmark, what rate or rates may become accepted alternatives to LIBOR, or what the effect any such changes may have on the financial markets for LIBOR-linked financial instruments. Similar statements have been made by regulators with respect to the other Inter-Bank Offered Rates ("IBORs"). Certain funds may undertake transactions in instruments that are valued using LIBOR or other IBOR rates or enter into contracts which determine payment obligations by reference to LIBOR or one of the other IBORs. Until their discontinuance, the funds may continue to invest in instruments that reference LIBOR or the other IBORs. In advance of 2021, regulators and market participants are working to develop successor rates and transition mechanisms to amend existing instruments and contracts to replace an IBOR with a new rate. Nonetheless, the termination of LIBOR and the other IBORs presents risks to the funds. It is not possible at this point to identify those risks exhaustively, but they include the risk that an acceptable transition mechanism may not be found or may not be suitable for the funds. In addition, any alternative reference rate and any pricing adjustments required in connection with the transition from LIBOR or another



IBOR may impose costs on the funds or may not be suitable for the funds, resulting in costs incurred to close out positions and enter into replacement trades.

***Risks Related to Macro-Events Such As Acts of War, Natural Disasters, Epidemics, Pandemics and Terrorist Attacks***

Countries and regions in which Private Fund Clients invest, where the firm has offices or where certain Private Fund Clients otherwise do business are susceptible to natural disasters (e.g., fire, flood, earthquake, storm and hurricane) and epidemics, pandemics or other outbreaks of serious contagious diseases. The occurrence of a natural disaster or an epidemic/pandemic could adversely affect and severely disrupt the business operations, economies and financial markets of many countries (even beyond the site of the natural disaster or epidemic) and could adversely affect the Private Fund Client's ability to do business. In addition, terrorist attacks, or the fear of or the precautions taken in anticipation of such attacks, could, directly or indirectly, materially and adversely affect the businesses and industries in which the Private Fund Client invests or could affect the countries and regions in which the Private Fund Client is invested, where the firm has offices or where the Private Fund Client otherwise does business. Other acts of war (e.g., war, invasion, acts of foreign enemies, hostilities and insurrection, regardless of whether war is declared) could also have a material adverse impact on the financial condition of the businesses, industries or countries in which the Private Fund Client invests. Large scale events such as acts of war, natural disasters, epidemics, pandemics and terrorists attacks can have the effect of compounding or exaggerating the impact of any of the investment risks noted above on Private Fund Client investments.

***Risks Related to Technology Security and Business Continuity***

The Firm's investment activities rely in part on various technology systems, including proprietary and third party software. To operate effectively, some of these systems depend upon a large volume of data from the Firm as well as third party sources. The Firm has devoted resources to develop and maintain its own systems. It also has undertaken efforts to evaluate and/or monitor third parties that provide systems and data. Despite these efforts, there is a risk that system interruptions or inaccurate data may impact the Firm and its clients. The Firm's response to such incidents are designed to remediate any issues on a timely basis, although the details of the Firm's response depend upon case by case circumstances.

As part of its business, the Firm also processes, stores and transmits electronic information, including information relating to the transactions of clients and, in some cases, personally identifiable information of its clients. The Firm has procedures and systems in place designed to protect such information and prevent data loss and security breaches. Similarly, the Firm's service providers may process, store and transmit such information. Each service provider has represented to the Firm that it has procedures and systems in place designed to protect such information and prevent data loss and security breaches. However, such measures cannot provide absolute security. The techniques use to obtain unauthorized access to data, disable or degrade service, or sabotage systems change frequently and may be difficult to detect for long periods of time. Hardware and software acquired from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise the Firm's information security.

The loss or improper access, use or disclosure of the Firm's or the Firm's clients' proprietary information may cause the Firm or its clients to suffer, among other things, financial loss, disruption of its business, liability to third parties, regulatory intervention or reputational damage.

Similar adverse consequences could result from cybersecurity breaches affecting issuers of securities in which the Firm invests on behalf of its clients; counterparties with which a client engages in transactions; governmental and other regulatory authorities; exchange and other financial market operators, banks, brokers, dealers, insurance companies, and other financial institutions; and other parties. In addition, substantial costs may be incurred by these entities in order to prevent any cybersecurity breaches in the future.

The Firm maintains a business continuity plan designed to sustain critical functions in the event of a partial or total building outage affecting its offices or a technical problem affecting applications, data centers or networks. Nevertheless, the Firm's ability to conduct business may be curtailed by a disruption in the infrastructure that supports its operations and the regions in which the Firm's offices are located.

## Item 9 - Disciplinary Information

PBI LLC has no material or disciplinary events to disclose; therefore, this section is not applicable.

## Item 10 - Other Financial Industry Activities and Affiliations

### Broker-dealer or Registered Representative

PineBridge Securities LLC, an affiliate of PBI LLC, is a Delaware limited liability company and is registered as a broker-dealer. Certain of the Firm's employees are Registered Representatives of PineBridge Securities LLC.

### Futures Commission Merchant, Commodity Pool Operator, Commodity Trading Adviser or Associated Person

PBI LLC is registered as a commodity pool operator and commodity trading adviser under the Commodity Exchange Act.

### Material Relationships or Arrangements with Financial Industry

As mentioned in the "Advisory Business" section of this Brochure (Item 4), PineBridge Investments is a group of companies owned by PCG. PCG is a private investment group, which has interests in infrastructure, property and other investments mainly in the Asia Pacific region.

PineBridge Securities LLC is a limited purpose broker-dealer registered under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and a Financial Industry Regulatory Authority ("FINRA") member, and serves as placement agent for certain private investment funds sponsored and/or managed by PBI LLC and other third-party advisors.

PBI LLC manages a variety of alternative investment products that are intended to take advantage of market opportunities or to meet specific investment mandates. These products are Private Investment Funds offered and typically structured as, without limitation, limited partnerships, limited liability companies, or unit trusts, in order to meet the legal, regulatory and tax demands of clients. In and of themselves, the assets under management in relation to the Private Investment Funds are not material, but as a whole, they are one part of PBI LLC's advisory and sub-advisory business. PBI LLC serves as investment adviser or provides advisory services to U.S. registered and offshore investment companies. PBI LLC also provides sub-advisory services to registered investment companies sponsored by unaffiliated investment advisers.

### *Participating Affiliate Relationships*

PBI LLC may utilize the advisory and/or management services of certain of its foreign affiliates ("PineBridge Affiliates") to provide advisory and/or management services to clients with respect to foreign securities and markets. PBI LLC currently utilizes (or may utilize) the services of the following PineBridge Affiliates:

- PineBridge Investments Europe Ltd.
- PineBridge Investments Asia Ltd.
- PineBridge Investments Japan Co., Ltd.
- PineBridge Investments Canada Inc.
- PineBridge Investments Latin America SpA
- PineBridge Galaxy LLC
- PineBridge Investments Ireland Limited
- PineBridge Investments Hong Kong Limited
- PineBridge Investments Singapore Limited
- PineBridge Investments Management Taiwan Limited
- PineBridge de Mexico S. de R.L. de C.V.

- PineBridge Investments Asset Management Company (India) Private Limited

Certain of the above PineBridge Affiliates are “Participating Affiliates” of PBI LLC (as that term has been used by the Division of Investment Management of the SEC) in that they provide investment advice through and under the supervision and control of PBI LLC to its clients.

Guidance set forth under applicable law and related SEC staff guidance permits registered advisers to access the services of affiliates not registered with the SEC, under prescribed conditions. Conditions include, among other things, the Participating Affiliates providing the SEC access to trading and other records, observing specific recordkeeping rules, and cooperating with the SEC as it relates to the accounts managed by the Participating Affiliates. Each Participating Affiliate and each employee thereof whose duties relate to the investment decisions or recommendations that PBI LLC makes to clients in connection with the Participating Affiliate arrangements, or who has access to certain related information, is deemed to be an “associated person” of PBI LLC.

### ***Other Non-SEC Registrations***

PBI LLC is registered with the China Securities Regulatory Commission.

### **Recommend or Select Other Investment Advisers**

PBI LLC does not recommend or select other investment advisers for clients and receive compensation directly or indirectly from those investment advisers, and therefore this section is not applicable.

### **Fund General Partners**

Affiliates of PBI LLC serve as the general partners (or, if pertinent, managing members) of certain Private Investment Funds (the “Fund General Partners”). Any persons acting on behalf of any of the Fund General Partners are subject to the supervision and control of PBI LLC in connection with any investment advisory activities. In accordance with SEC staff guidance, the Fund General Partners are registered as investment advisers in reliance on the Form ADV filed by PBI LLC.

### **Outsourcing to Third Parties**

From time to time, PBI LLC may outsource to third parties certain processes or functions related to a variety of services provided to its clients in administrative or other capacities. Such outsourcing may give rise to conflicts of interest. In order to mitigate such conflicts, PBI LLC has adopted a Third Party Oversight Policy which requires PBI LLC to oversee certain activities performed by third parties that relate to PBI LLC’s investment adviser business. The Third Party Oversight Policy requires due diligence to be performed prior to engaging with the third party, as well as ongoing due diligence on a risk assessed basis after contracting with a third party.

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

The Firm has adopted a Code of Ethics (the “Code”), which applies to all employees (“Access Persons,” as defined in the Code), that is designed to help detect and prevent conflicts of interest and fraudulent practices. The PBI LLC Board of Directors has approved the Code and approves any material amendments. In accordance with Rule 204A-1 under the Advisers Act, the Code: (i) describes the fiduciary duty Access Persons have to the Firm’s clients; (ii) requires Access Persons to comply with federal securities laws; (iii) requires Access Persons to report, and for PBI LLC or its affiliates to review, Access Persons’ personal investment transactions and holdings; (iv) requires Access Persons to report any violations of the Code to Compliance; and (v) requires PBI LLC or its affiliates to provide each Access Person with a copy of the Code and any amendments, and requires Access Persons to acknowledge their receipt of the Code.

The Code includes policies designed to minimize potential conflicts of interest between Access Persons’ personal activities and those undertaken PBI LLC. Topics covered by the Code include, but are not limited to, gifts and entertainment, political contributions, outside business activities, the treatment of material non-public information, and personal securities transactions.

PBI LLC permits Access Persons to engage in personal securities transactions; however, there are policies in place to address potential conflicts of interest when Access Persons buy or sell securities also bought or sold for clients. Personal securities transactions by an Access Person may raise a potential conflict of interest when an Access Person trades in a security that is considered for purchase or sale by a client, or recommended for purchase or sale by an Access Person to a client, in that the Access Person may be able to personally benefit from prior knowledge of transactions for a client by trading in a personal account. Per the Code, there is a “Blackout Period” which subjects Access Persons to restrictive trading prohibitions when the Access Person or the Firm is also trading in the security for clients. Under the Code, Access Persons must submit initial and annual reports of all applicable brokerage accounts and holdings, as well as duplicate trade execution confirmations and statements. In addition, Access Persons are required to pre-clear non-exempt securities transactions (as defined in the Code) via procedures established to mitigate conflicts of interest; and not engage in short-term trading without an exemption. The purchase of equity securities in initial public offerings (“IPOs”) by Access Persons can create an appearance that such personnel have taken inappropriate advantage of their positions for personal benefit. Accordingly, Access Persons who are investment personnel are prohibited from purchasing an IPO. All other Access Persons must obtain pre-clearance from the Compliance Department prior to participating in an IPO. Failure to abide by the Code may result in sanctions, including termination.

It is possible that PBI LLC and PineBridge Affiliates may recommend securities of companies in which a related person of PBI LLC has a direct or indirect interest or other financial interest not otherwise known to the Firm. In addition, PBI LLC or its affiliates may, from time to time, recommend to its clients affiliated funds for which PBI LLC or its affiliates act as an investment adviser. In the case of recommending affiliated funds to its clients, PBI LLC or its affiliates shall, prior to the client’s investment, disclose to such client (by providing the client with a copy of the current offering materials relating to such fund) the nature of the Firm’s (or its affiliate’s) relationship with such fund and the fee which PBI LLC or such affiliate will receive as a result of such client’s subscription to such fund. In addition, PBI LLC maintains certain compliance policies as well as the Code, which address activities that can raise conflicts.

PBI LLC may affect or recommend transactions to or on behalf of its clients in which client securities are sold to or bought from PBI LLC, or an affiliate acting as principal. To the extent that PBI LLC enters into transactions with affiliates on behalf of a client and/or fund, the terms of such transactions will be on terms that are no less favorable to the client / fund than would be obtained on an arms’ length basis and in accordance with applicable legal or other requirements. If PBI LLC determines it is required to seek the consent of the client / fund under the Advisers Act or otherwise in connection with the transaction, PBI LLC



will obtain the necessary consent prior to the completion of such transaction, as outlined in the respective client / fund documentation.

PineBridge affiliates, officers, directors and employees of PBI LLC and such affiliates may engage, at or about the same time, in transactions or cause or advise other clients to engage in transactions, which may differ from or be identical to transactions engaged by client portfolios. Alternatively, PineBridge affiliates, officers, directors and employees of PBI LLC and such affiliates may recommend any transaction which any such affiliates or any of the officers, directors or employees of PBI LLC or such affiliates may engage in for their own accounts or the account of any other customer, except as otherwise required by applicable law and subject to PBI LLC's personal trading policy in the Code. Related persons of PBI LLC routinely purchase and sell securities that, in due course, PBI LLC also recommends to its clients, subject to applicable law and PBI LLC's personal trading policy.

Under certain circumstances, conflicts may arise in cases where different clients of PBI LLC invest in different parts of a single issuer's capital structure, including circumstances in which one or more PBI LLC clients may own private securities or obligations of an issuer and other PBI LLC clients may own public securities of the same issuer. Such conflicts of interest will be discussed and resolved on a case-by-case basis and will take into consideration the interest of the relevant clients, the circumstances giving rise to the conflict, and applicable regulations. Policies described here, and elsewhere in this document, including descriptions of the Firm's trade allocation policies, seek to mitigate these potential conflicts of interest. There can be no assurance, however, that all conflicts have been addressed in all situations.

A copy of the Code may be obtained by any client or prospective client upon request.

## Item 12 - Brokerage Practices

### Selecting Brokerage Firms

In selecting broker-dealers for the execution of trades and reasonableness of their compensation, the investment and/or trading teams will consider the full range and quality of the broker-dealer's services and may take into consideration, among other things, the following factors:

- General considerations such as price limitations, the nature of the security being traded, the size of the transaction, the nature and character of the markets for the security, the desired timing of the trade, the difficulty of the trade, and pertinent market information that may impact the price of the security
- Responsiveness to PBI LLC and the quality of previous execution services
- Level of trading and execution expertise, including the broker-dealer's ability to:
  - minimize the number of incomplete trades
  - execute trades quickly
  - search for and obtain liquidity to minimize market impact and accommodate unusual market conditions
  - execute unique trading strategies
  - execute and settle difficult trades
  - respond during volatile market periods
  - maintain the anonymity of an investment manager
  - maximize the opportunities for price improvement
  - reimburse the portfolio for its trade errors and correct them in a satisfactory manner
  - engage in after-hours and cross-border trading
- Adequacy of the infrastructure and technology, including access to a trading system characterized by efficient order-entry systems, adequate lines of communication, timely order execution reports, an efficient and accurate clearance and settlement process, and capacity to accommodate unusual trading volume
- Financial condition and stability, including ability to maintain and commit adequate capital when necessary to complete trades
- Ability to provide services to accommodate special transaction needs, including ability to implement step-outs and execute for client-directed brokerage arrangements and soft dollar arrangements, participate in underwriting syndicates, and obtain IPO shares
- Ability to provide the following information or services among others and as applicable:
  - general communication with PBI LLC and information flow on securities

- suggestions that improve the quality of trade executions
- proprietary or third-party research
- access to research analysts
- access to broker-dealer staff

Factors that are not considered by investment and/or trading teams when selecting broker-dealers for the execution of trades include:

- sale of interests in any PineBridge sponsored fund
- placement of any PineBridge fund or product
- personal relationships with employees of the broker-dealer
- gifts and entertainment received from the broker-dealer

PBI LLC does not adhere to any rigid formulas for selecting brokers, but weighs a combination of the preceding criteria. PBI LLC has no fixed internal brokerage allocation procedures designating specific percentages of brokerage commissions to particular firms. The Firm seeks best execution in transactions for its clients and will direct brokerage to firms providing research products and services on that basis. In recognition of the value of products and services provided by a broker, PBI LLC may effect securities transactions, which cause the client to pay the broker an amount of commission, through soft dollars, in excess of the amount of commission another broker would have charged, for execution only.

## Research and Soft Dollars

PBI LLC uses brokerage commissions to provide its clients with the best possible combination of best execution and high quality research. This research is paid for by paying a portion of brokerage commissions to certain brokers who provide research related products and services that benefit clients. When PBI LLC pays a broker more than is required to execute a trade, it is doing so in order to obtain research services that benefit the Firm's clients. It is possible that such a trade could be executed at a lower commission rate with a different broker. Use of client commissions to receive products and services will be done in accordance with the "safe harbor" provided by Section 28(e) under the Exchange Act.

PBI LLC does not solicit competitive bids and does not have an obligation to seek the lowest transaction cost.

In some instances, PBI LLC may receive products and services that may be used for both research and non-research purposes. In such instances, PBI LLC will make a good faith effort to determine the relative proportion of the products and services used for research purposes and the relative proportion used for non-research purposes. The proportion of the products and services attributable to research purposes will be paid through brokerage commissions generated by client transactions; the proportion attributable to non-research purposes will be paid for by PBI LLC from its own resources.

Products and services may be used by PBI LLC or its affiliates for themselves and/or in servicing some or all of their clients. In addition, some products and services may not necessarily be used by a client even though its commission dollars (or other transaction charges) may have helped pay for the products and services. A client, therefore, may not, in any particular instance, be the direct or indirect beneficiary of the products or services paid for with its commission dollars.

Although some clients do not generate commission credits used to acquire research under Section 28(e) (e.g., clients in fixed income strategies), Firm investment personnel providing services to those clients, and, by extension, those clients, benefit from the research and third party research services acquired through

commissions generated by other clients' transactions. Conversely, clients who generate commission credits used to acquire research under Section 28(e), may not necessarily benefit from all of the research and third party research services acquired through such commission credits. The Firm is not able to trace the commissions generated by a particular client's account to the acquisition of a particular research service, but the Firm believes that its clients as a whole benefit when its investment personnel have access to these services. Certain clients, for regulatory or other reasons, do not allow their commissions to create credits for the acquisition of research or third party research services but may ultimately benefit from research and third party research services acquired through commission credits generated through other clients' transactions. Similarly, beginning in 2018, clients of PBI LLC's advisory affiliates that are regulated by the EU's Markets in Financial Instruments Directive ("MiFID") and certain clients of PBI LLC that are domiciled in jurisdictions regulated by MiFID will not pay commission that generate Section 28(e) research credits with brokers. Instead, PBI LLC's advisory affiliates in those jurisdictions pay for broker research out of their own resources. Clients of PBI LLC whose transactions are not subject to MiFID's research rules will continue to pay commissions to brokers to acquire research and third party research services under Section 28(e).

The relationships with brokerage firms that provide services to PBI LLC in exchange for commission payments may influence the Firm's judgment in allocating brokerage business and create a conflict of interest, whereby PBI LLC may be inclined to do business with brokers for their research rather than best execution for the Firm's clients.

In order to address this conflict of interest, PBI LLC has a formal procedure in place for the initial approval of a soft dollar / commission arrangement, as well as procedures in place for ongoing monitoring. Strategies are monitored in terms of year-to-date commission rates paid. Each strategy is also periodically compared to peers to ensure that targets are in line with peers. The Firm has also adopted a Best Execution Policy, which states that PBI LLC will seek to obtain the most favorable terms for each transaction reasonably available under the circumstances, subject to any limitations placed by a client on the Firm's discretion to choose executing broker-dealers. The Best Execution Policy provides additional assurance that conflicts of interest posed by soft dollar arrangements are monitored.

When PBI LLC uses client brokerage commissions (or markups or markdowns) to obtain research or other products or services, PBI LLC receives a benefit because the Firm does not have to produce or pay for the research, products or services.

PBI LLC may have an incentive to select or recommend a broker-dealer based on interest in receiving the research or other products or services, rather than on clients' interest in receiving most favorable execution.

PBI LLC may cause clients to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits (known as "paying-up").

Research-related products and services may include: clearance, settlement, on-line pricing and financial information, economic and market information, both written and oral, independent research, technical data, economic, political and financial studies. Examples of providers of these services may include Bloomberg, FactSet, Morningstar Direct and Options Price Reporting Authority, among others.

### Brokerage for Client Referrals

PBI LLC currently does not select or recommend broker-dealers on the basis of client referrals, and therefore this section is not applicable.

### Directed Brokerage

PBI LLC does not routinely recommend, request or require that a client direct PBI LLC execute transactions through a specified broker-dealer.

The Firm permits clients to direct brokerage. In the event the client directs the Firm to use a particular broker, it should be understood that under those circumstances accounts subject to directed brokerage arrangements (“directed portfolios”) will forgo any benefit from savings on execution costs that PBI LLC may obtain by negotiating volume commission discounts on aggregated orders. Additionally, directed portfolios may pay higher commission rates than the commission rates paid by non-directed portfolios. Generally, the Firm would place and/or execute directed trades after it has placed blocked or aggregated trades. Under these circumstances, a disparity in execution quantity, price and commission charges may exist with respect to those of other clients. In addition, a client who directs PBI LLC to use a specific broker may not be able to participate in an allocation of shares of a new issue if those shares are sold only by another broker, and when PBI LLC buys over-the-counter securities directly from brokers that are market makers in such securities, such client may be charged a commission in addition to any other transactional charge for such securities. PBI LLC may also have a potential conflict of interest if the directed broker has referred the client or other clients to PBI LLC.

PBI LLC may be unable to achieve most favorable execution of client transactions in directed brokerage arrangements, and directing brokerage may cost clients more money. For example, when a client directs the Firm to use a particular broker, the client may pay higher brokerage commissions because PBI LLC may not be able to aggregate orders to reduce transaction costs, or the client may receive less favorable prices.

### Order Aggregation

PBI LLC may or may not purchase or sell the same security for all clients that are eligible to buy or sell the security under each account’s objective. Eligibility depends on various factors, including but not limited to, the size of the accounts, cash availability in each account and each account’s investment restrictions, investment strategies and appetite for risk. To the extent permitted by law, the Firm may bunch or aggregate orders for several client accounts. All portfolios participating in an aggregated trade must receive/pay the same price and must share in the aggregate transaction costs relating to the aggregated trade, proportionate with their respective allocations.

### Trade Allocation

It is the policy of PBI LLC to allocate investment opportunities and transactions it identifies as being appropriate and prudent, including Initial Public Offerings (“IPOs”) or other new issue and other investment opportunities that might have a limited supply, among its clients on a fair and equitable basis over time. No client or group of clients, regardless of affiliation, receives preferential treatment in connection with investment opportunities. The Firm’s fiduciary duty, including the equitable treatment of clients, is the underpinning of the trade allocation policy and procedure.

PBI LLC clients have a broad range of investment objectives and risk tolerances. They may also have any number of accounting, regulatory, liquidity, or other limitations or goals that influence the optimal composition of their respective investment portfolios. Therefore, a number of factors may influence an allocation decision. These factors include, but are not limited to:

- Existing portfolio composition and applicable sector weightings;
- The desire to bring a portfolio up to a target exposure level;
- Cash limitations or excess cash, or an expectation of limitations or excess cash;
- Portfolio-specific investment restrictions or guidelines;
- Specific overriding client instructions;
- Foreign regulations, foreign market settlement practices (e.g., certain countries may prohibit trade aggregation);
- Trading inefficiencies (including order size) created by trade aggregation; and/or
- Accounting, regulatory or compliance-related issues (e.g., restricted securities, Section 16 limitations, Investment Company Act limitations).

Accordingly, in lieu of employing a compulsory pro rata allocation based on the relative market values of participating portfolios for every batch trade, the portfolio manager may submit an allocation plan with each batch trade order submitted to the trading desk.

The purpose of the allocation plan is to determine, in advance of the trade, how purchases and sales are to be allocated among specified portfolios and in what percentages any partially filled order will be allocated among those portfolios.

### Cross Trades

In certain circumstances, PBI LLC may (but is not required to) purchase and sell a security between two or more client accounts (a practice known as “cross trading”). PineBridge may also purchase and sell a security between client accounts of PineBridge and client accounts of PineBridge affiliated entities. PBI LLC will effect these purchases and sales between client accounts only if it believes such transactions are appropriate based on each party’s investment objectives, subject to applicable law and regulation. Cross trades for accounts subject to ERISA requirements are made in accordance with applicable Department of Labor requirements. PBI LLC seeks to assure that the price paid or proceeds received by clients in a cross trade is fair and appropriate to both parties. Where a U.S. registered fund participates in a cross trade, the Firm will comply with procedures adopted pursuant to Rule 17a-7 under the Investment Company Act. An inherent conflict of interest may exist when engaging in these types of transactions.

### Trade Error Policy

PBI LLC implements trade reconciliation and confirmation procedures intended to prevent trade errors. As soon as possible, after an error has been discovered, Compliance conducts a full review of the facts and recommends appropriate action. Corrective actions are based on the facts and circumstances of each error on a case-by-case basis. With respect to Fixed Income, Asset Allocation, and Equity, if an error occurs and the client is disadvantaged, PBI LLC takes appropriate remedial steps to bring the client back to the position it was in prior to the trade error.

### Step Outs

Unless inconsistent with the duty to seek best execution, PBI LLC may, on occasion, instruct the executing broker to credit a portion of an aggregated trade to another broker that provides brokerage or research related services to PBI LLC, a common practice known as a “Step Out.” Generally, this may occur when numerous allocations are aggregated into one single trade order, whereas one or more of the clients participating in the block may have placed trade directions to one or more brokers other than the executing broker. A Step Out, in this case, allows the Firm’s traders to aggregate a trade order where all participating allocations receive the same price and facilitates specific client direction to trade with a specified broker(s). PBI LLC may also use Step Out transactions for regulatory or other purposes. It is unlikely that a client would be disadvantaged by means of a Step Out.



## Item 13 - Review of Accounts

### Periodic Reviews

Portfolio managers have overall responsibility for the accounts they manage and monitor them on an on-going basis. Accounts may be reviewed against a benchmark or against other accounts in the same strategy. Reviews are conducted to monitor portfolio performance and ensure that each portfolio conforms to guidelines established by PBI LLC and each client. In addition, on an annual basis, Compliance reviews a sample of active client portfolios to verify that each investment restriction and/or guideline in the client's IMA, sub-advisory agreement and/or other client documentation is accurately reflected in the Firm's order management system.

### Review Triggers

In addition to the above reviews, client account reviews may also be triggered by a number of factors, including, but not limited to: significant shifts in the market, account terminations or accounts winding down, on-boarding an account, change in account guidelines, client requests for review, or a change in the Firm's processes or strategies.

### Regular Reports

In general, PBI LLC provides written client reports on a monthly and/or quarterly basis. The reports generally contain evaluations of the portfolio and general economic conditions which, in the opinion of PBI LLC, impact such portfolio and may include the following information: (i) for each investment in the portfolio on the valuation date, the number of units held, the value of such units, and a comparison of such information with the information contained in the previous statement; (ii) details of transactions undertaken since the previous statement; (iii) basis of the valuations of investment; and (iv) exchange rates used, where applicable.

Limited partners and shareholders in Private Investment Funds generally receive written reports per the reporting timeline outlined in the Private Investment Fund offering materials.

## Item 14 - Client Referrals and Other Compensation

### Economic Benefits

From time to time, PBI LLC or PineBridge Affiliates may receive cash payments, stock options or other benefits (collectively, remuneration) from privately-held companies as a result of officers, directors or employees of the Firm or an affiliate serving on the board of directors of such companies, or for providing consulting, solicitation or related services to such companies. PBI LLC and/or PineBridge Affiliates may take fees from third parties for services provided by the Firm and/or PineBridge Affiliates to such third parties relating to a transaction, in which an advisory client has participated, or a security or portfolio of securities in which the advisory client is invested, in all cases except as otherwise limited by applicable law. In addition, PBI LLC or PineBridge Affiliates may serve as general partner or investment manager for limited partnerships and other pooled investment vehicles (collectively, funds) that invest in such companies, and may, when it believes that it is suitable and appropriate for a client, advise the client to invest in (or, in cases where it has investment discretion, invest the client in) such funds that in turn invest in the companies from which it would receive remuneration.

To offset the benefit of such remuneration to PBI LLC or PineBridge Affiliates, in certain instances a portion of the management fee charged with respect to such funds may be offset by an amount equal to or less than the amount of the remuneration received by PBI LLC and PineBridge Affiliates. There may be a conflict that PBI LLC or PineBridge Affiliates would have a financial incentive to invest client assets, directly or indirectly, in companies from which it receives remuneration. Nevertheless, it is the policy of PBI LLC to invest client assets only in securities and other portfolio assets that are in the client's best interest. Refer to the "Code of Ethics" section of this Brochure for additional details regarding conflicts of interest.

For information related to soft dollars, refer to the "Brokerage Practices" section within this Brochure.

### Third Party Solicitors

PBI LLC may enter into compensation arrangements with solicitors for new business. Any soliciting arrangements will comply with Rule 206(4)-3 under the Advisers Act, pursuant to which persons introducing new client accounts to the Firm may receive a portion of the advisory fee generated by the account and/or a flat fee for a period of time that varies on a case-by-case basis.

Employees of PBI LLC may periodically participate and/or attend conferences sponsored by industry consultants. PBI LLC will act at all times in the clients' best interest, considering such factors as suitability.

In the event that an advisory client is obtained through a consultant to which the Firm has provided either compensation for such conferences or for which the Firm's personnel have participated in such conferences, PBI LLC will disclose such relationship to the advisory client upon request.

## Item 15 - Custody

Under Rule 206(4)-2 under the Advisers Act (the “Custody Rule”), PBI LLC has custody of the assets contained in the portfolios of certain fund clients, because PBI LLC or an affiliate serves as the general partner of, or in a similar capacity for, the fund. Accordingly, PBI LLC is subject to the relevant provisions of the Custody Rule. Fund investors do not receive account statements from the custodian; rather, the pertinent funds are subject to an annual audit and the audited financial statements are distributed to each fund investor within the required time period.

## Item 16 - Investment Discretion

### Discretionary Authority for Trading

PBI LLC provides both discretionary and non-discretionary investment advisory services to clients. The IMA established with each client outlines the discretionary authority for trading. Where investment discretion has been granted, the Firm generally manages the client's account and makes investment decisions without consultation with the client as to what securities to buy or sell, when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, the brokers with whom orders for the purchase or sale of securities are placed for execution, the price per share, and the commission rates at which securities transactions are effected. In some instances, the Firm's discretionary authority in making these determinations may be limited by conditions imposed by a client (in investment guidelines or objectives, or client instructions otherwise provided to PBI LLC).

## Item 17 - Voting Client Securities

### Proxy Voting

Through IMAs, clients may give the Firm authority to vote proxies relating to securities held in their accounts. Consistent with applicable rules under the Advisers Act, the Firm has adopted and implemented written proxy voting policies and procedures that are reasonably designed to ensure that proxies are voted, consistent with its fiduciary obligations. PBI LLC has a fiduciary obligation, for those clients for whom it has voting authority, to make the best interests of such clients the sole consideration when voting proxies of their portfolio companies. The Firm has established specific voting procedures and has engaged a proxy voting administrator to assist in the execution of those procedures on its behalf. PBI LLC votes (or refrains from voting) proxies with respect to securities it manages, on a client by client basis, ensuring that all reasonable steps have been taken to vote in the client's best interest and to avoid acting on any conflicts that may arise between itself and its clients. In the case of a material conflict between the interests of the Firm and those of its clients, the Firm consults with counsel and resolves all conflicts in the client's best interest. When votes are cast in accordance with PBI LLC's proxy voting policies and procedures and in a manner PBI LLC believes to be consistent with its fiduciary obligations, actual proxy voting decisions made on behalf of one client may have the effect of favoring or harming the interests of other clients.

During the client on-boarding process, clients have two options as it relates to responsibility of proxy voting: (i) the option to choose to have sole responsibility of voting their own proxies, and thereby prohibiting PBI LLC from voting proxies on that client's behalf; or (ii) clients may elect PBI LLC to vote proxies on the clients' behalf. There is no option available to clients where clients have the ability to choose to direct PBI LLC's vote in a particular solicitation.

When exercising voting rights, the Firm will generally vote on specific proxy issues in accordance with its proxy voting guidelines. The Firm has established a "Proxy Committee," consisting of senior PBI LLC personnel, who maintain the proxy voting guidelines, policies and procedures, and are responsible for the review and approval of amendments to the proxy guidelines, policies and procedures.

In certain markets, proxy voting involves logistical issues, which can affect the Firm's ability to vote such proxies, as well as the desirability of voting such proxies. These issues include, but are not limited to, untimely notice of shareholder meetings, restrictions on a foreign investor's ability to exercise votes, requirements to vote proxies in person, potential difficulties in translating proxy, and requirements to provide local agents with unrestricted powers of attorney to facilitate voting instructions. Another logistical issue that may arise is "shareblocking," where investors who exercise their voting rights surrender the right to dispose of their holdings for some specified period in proximity to the shareholder meeting. Because of the aforementioned potential logistical issues, the Firm votes proxies on a "best efforts" basis, which may include not voting proxies of companies in certain countries if the costs (such as opportunity costs related to shareblocking constraints) associated with exercising a vote outweigh the benefit the client will gain by voting.

Each proxy statement received and any corresponding vote cast is retained on behalf of the Firm's clients.

Clients may obtain a record of votes and/or a copy of the proxy voting policies and procedures by requesting such information at (646) 857-8000 or contacting their client service representative.

## Item 18 - Financial Information

### Prepayment of Fees

PBI LLC does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore this section is not applicable.

### Financial Condition

PBI LLC does not have any financial conditions that would impair its ability to meet its contractual commitments to its clients.

### Bankruptcy

PBI LLC has not been the subject of a bankruptcy petition at any time.