

**SUN LIFE CAPITAL MANAGEMENT (U.S.) LLC
DBA SLC MANAGEMENT**

(“Adviser”)

**Form ADV, Part 2A
(the “Brochure”)**

March 30, 2020

**One Sun Life Executive Park
Wellesley Hills, MA 02481-5699
(781) 446-1759
<https://www.slcmanagement.com/>**

This Brochure provides information about the qualifications and business practices of Adviser. If you have any questions about the contents of this Brochure, please contact us at the telephone number above. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Registration as an investment adviser does not imply any level of skill or training.

Sun Life Capital Management (U.S.) LLC is registered as a Commodity Trading Adviser and Commodity Pool Operator registered with the Commodity Futures Trading Commission (“CFTC”) under the Commodity Exchange Act (“CEA”) and a Member of the National Futures Associate (“NFA”).

Additional information about Sun Life Capital Management (U.S.) LLC is also available on the SEC’s website at www.adviserinfo.sec.gov.

ITEM 2: MATERIAL CHANGE

The following section of the Brochure includes a discussion of material changes since Adviser's last annual amendment to the Form ADV, which occurred on March 29, 2019.

Adviser has the following material changes to report:

Effective January 1, 2020, Adviser merged its operations with those of its advisory affiliates Prime Advisors Inc, ("Prime") and Ryan Labs Asset Management Inc. ("Ryan Labs"), each wholly owned by Sun Life Financial Inc. Please review this brochure in its entirety given the scope of these changes and their potential impact on your advisory relationship. Applicable items in this brochure have been updated to reflect the merger, including (but not limited to):

- **Item 5 – Fees and Compensation:** Disclosure was added to account for clients of Ryan Labs or Prime that have become clients of the Adviser as part of the reorganization and also to clarify the expenses borne by private funds and the process for valuing identical assets in different client accounts.
- **Item 10 – Other Financial Industry Activities and Affiliations:** Disclosure was added to clarify the treatment of affiliates that receive advisory services from the Adviser.
- **Item 12 – Brokerage Practices:** Disclosure was added to describe Adviser's practices with regard to aggregating orders and to describe the interaction among trading desks as a result of the merger.
- **Item 15 – Custody:** Disclosure was added to clarify that, in certain circumstances, Adviser or an affiliate serves as the administrative or servicing agent for certain loans in which Adviser's clients invest. Such arrangements result in deemed custody for the Adviser.

Changes previously communicated since the March 29, 2019 filing:

As of June 18, 2019, Adviser changed its name from Sun Life Institutional Investments (U.S.) LLC to Sun Life Capital Management (U.S.) LLC. Sun Life Capital Management (U.S.) LLC, along with advisory affiliates Prime Advisors Inc, ("Prime") Ryan Labs Asset Management Inc. ("Ryan Labs"), and Bentall Kennedy (U.S.) LP ("BKUS"), each wholly owned by Sun Life Financial Inc., are under the brand name of "SLC Management". Adviser is using the website for the SLC Management brand, www.slcmanagement.com. Sun Life Financial Inc. intends to merge Ryan Labs and Prime with Sun Life Capital Management (U.S.) LLC on or around December 31, 2019.

Salespersons of Ryan Labs and Prime have become employees and Access Persons of Adviser in order to sell Sun Life Capital Management (U.S.) LLC

investment strategies, some of which may be subadvised by Ryan Labs or Prime. Any compensation paid to salespersons for the sale of Sun Life Capital Management (U.S.) LLC investment strategies or Ryan Labs or Prime investment strategies offered by Sun Life Capital Management (U.S.) LLC shall come out of the management fees paid by the client accounts and shall not represent an additional charge to the accounts.

Additionally, client service personnel of Ryan Labs and Prime have become employees and Access Persons of Adviser in order to service client accounts obtained by salespersons selling Sun Life Capital Management (U.S.) LLC investment strategies and Ryan Labs and/or Prime investment strategies offered by Sun Life Capital Management (U.S.) LLC. Any compensation paid to Ryan Labs and/or Prime for the servicing of Sun Life Capital Management (U.S.) LLC client accounts shall come out of the management fees paid by the client accounts and shall not represent an additional charge to the accounts.

All Ryan Labs and Prime personnel who are Access Persons of Sun Life Capital Management (U.S.) LLC are also subject to all relevant advisers' Codes of Ethics established pursuant to Rule 204A-1 under the Investment Advisers Act of 1940 as amended ("Advisers Act"). All Codes of Ethics incorporate provisions relating to an adviser's fiduciary duty owed to its clients, including prohibitions on the personal use and disclosure of client trading knowledge.

Please refer to Items 10, 11, and 14 of the Brochure for more information.

As previously reported, Neil Haynes, former Chief Financial Officer, has changed roles within the Sun Life Financial group of companies. Effective May 9, 2019, Marlene Van den Hoogen became Senior Vice President, Chief Financial and Operations Officer, Treasurer, and Manager, Board of Managers of Adviser.

Pursuant to SEC Rules, Adviser will ensure that you receive a summary of any material changes to this Brochure, along with an offer to receive our Brochure, or a summary of material changes along with an updated Brochure within 120 days of the close of our business's fiscal year. Adviser will further provide you with an updated Brochure, or an updated Summary of Material Changes, as necessary throughout the year, based on any material changes, without charge.

Additional information on Sun Life Capital Management (U.S.) LLC is also available via the SEC's web site www.adviserinfo.sec.gov.

Important Note about this Brochure

This Brochure is not:

- an offer or agreement to provide advisory services to any person
- an offer to sell interests (or a solicitation of an offer to purchase interests) in any fund
- a complete discussion of the features, risks or conflicts associated with any fund or advisory service

As required by the Advisers Act, Adviser provides this Brochure to current and prospective clients and may also, in its discretion, provide this Brochure to current or prospective investors in a fund, together with other relevant governing documents, such as the fund's offering or private placement memorandum, or, with respect to funds registered under the Investment Company Act of 1940, as amended, its prospectus or registration statement, prior to, or in connection with, such persons' investment in the fund. Additionally, this Brochure is available through the SEC's Investment Adviser Public Disclosure website. Although this publicly available Brochure describes investment advisory services and products of Adviser, persons who receive this Brochure (whether or not from Adviser) should be aware that it is designed solely to provide information about Adviser as necessary to respond to certain disclosure obligations under the Advisers Act. As such, the information in this Brochure may differ from information provided in relevant governing documents. More complete information about each fund is included in the relevant governing documents, certain of which may be provided to current and eligible prospective investors only by Adviser or its broker-dealer affiliate. To the extent that there is any conflict between discussions herein and similar or related discussions in any governing documents, the relevant governing documents shall control.

For Clients Subject to ERISA

This brochure is being provided for informational purposes. In providing this brochure, Adviser (i) is not acting as your fiduciary as defined by the Department of Labor and is not giving advice in a fiduciary capacity and (ii) is not undertaking to provide impartial investment advice as Adviser will receive compensation for its investment management services.

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ITEM 4: ADVISORY BUSINESS

Our Firm

Sun Life Capital Management (U.S.) LLC (“Adviser”) is one of several firms operating under the name “SLC Management”, the brand name for the global institutional asset management business of Sun Life Financial Inc.

SLC Management seeks to provide diversified solutions to meet clients’ evolving needs. SLC Management has two related but distinct pillars: (1) the fixed income pillar includes Sun Life Capital Management (U.S.) LLC and Sun Life Capital Management (Canada) Inc. both branded SLC Management; and (2) the real estate pillar consists of BentallGreenOak, a global real estate investment management adviser and a globally-recognized provider of real estate services, operating as a distinct sub-brand of SLC Management. Clients include pension plans, insurance companies and other institutional investors such as endowments, foundations, and family offices.

Our capabilities in developing multi-asset class solutions, liability driven investing strategies and alternative investments help institutional investors match assets and liabilities as a part of a total return portfolio.

- Liability Driven Investment (LDI) strategies: We work with plan sponsors at all stages of de-risking, from early-stage clients taking their first steps to reduce funded status volatility, to late-stage clients looking to fine tune their liability-hedging programs.
- Insurance asset management: We provide our clients with decades of insurance expertise through a global insurance asset management platform that seeks to deliver performance through traditional and alternative asset classes.
- Public fixed income: We offer investment grade and high yield public fixed income strategies that seek a consistent stream of income, liquidity, and opportunity for liability matching. Our credit teams are organized by global credit sectors. Total return fixed income: Our portfolio management teams seek to provide returns consistent with the risk profile of the client’s mandate. From short and intermediate duration to core fixed income and long credit, we offer total return fixed income strategies managed against the traditional fixed income benchmarks across the duration spectrum.
- Derivative overlay strategies: We design, model and manage customized overlay solutions that can shape a client’s portfolio risk profile and improve the risk/return profile of their investments. We can help clients optimize portfolio beta and eliminate uncompensated or unwanted risk across a broad range of risk types – from currency, to credit, to interest rates, to equity.
- Private fixed income: Our focus on private fixed income includes investments in project, corporate and mid-market finance, private real estate finance, and private securitization finance.

As of December 31, 2019, SLC Management as a whole has \$175 billion (USD) in asset under management and over 700 employees, more than 400 of whom are investment professionals.

The SLC Management group of companies has offices in major cities across Canada, the United States, and in Europe and Asia. In the United States the Adviser is headquartered in Wellesley, MA, and Sun Life Capital Management Canada is headquartered in Canada, Toronto, ON. While our Investment Management Teams focus on all market segments, the teams responsible for managing Private Fixed Income, Public Fixed Income, Derivative Overlay Strategies, and Commercial Mortgage Loans are primarily located in the Wellesley and Toronto offices. Our Investment Team specializing in Total Return Fixed Income is located in New York City. In Redmond, WA and Windsor, CT, Investment Teams are focused specifically on managing U.S. based insurance company portfolios.

Adviser is an indirect wholly owned subsidiary of Sun Life Financial Inc. ("Sun Life Financial"), a publicly traded holding company for a diversified financial services organization. The Sun Life Financial group of companies provides a broad range of financial products and services to individuals and groups located primarily in Canada, the United States, the United Kingdom and the Asia Pacific Region.

Advisory Services

Adviser provides asset and risk management services to institutional investors, some of whom are affiliated with Sun Life Financial. In connection with providing advisory services to its clients, Adviser leverages the research, portfolio management, trading and related functions of its global affiliates, including under a memorandum of understanding with the "Participating Affiliate", as described in Item 10 below. In certain cases, Adviser's services are delegated to, or provided in connection with, one or more of its affiliates as also described in Item 10. Pursuant to written agreements, Adviser may provide recommendations, investment advice and analysis regarding investment strategies and potential investments to affiliated and unaffiliated entities. Each client has unique investment needs and Adviser customizes clients' portfolios to meet their individual objectives. Clients may impose restrictions, including responsible investment or environmental, social, and governance ("ESG") restrictions, on investing in certain of securities (e.g., credit quality, type). Adviser has been providing investment advice and other related services to affiliates of Sun Life Financial since 1997.

The Adviser comprises three business units: Total Return Fixed Income or TRFI; Insurance Asset Management or IAM; and Affiliate Asset Management or AAM.

Adviser's strategies are managed through a disciplined investment process which follow one or more of these disciplines:

- Focus on Fundamentals

- Disciplined Risk Management
- Extensive Credit Research
- Team Approach to Portfolio Management

However, as discussed below, not all strategies will follow the same investment process.

In some cases, Adviser retains affiliated or unaffiliated third party managers or sub advisers to provide portfolio management services under Adviser's oversight, subject to the terms of each individual client's written agreement with Adviser.

Adviser manages assets on either a discretionary or non-discretionary basis. As of December 31, 2019, Adviser's total regulatory assets under management ("RAUM") were approximately \$ \$68,292,411,280.92 including \$61,340,501,796.47 in discretionary and \$6,951,909,484.45 in non-discretionary accounts.

The nature of investment advice and analysis provided may include portfolio holdings and/or weightings, analysis and evaluation of potential investments and other related information regarding the construction and maintenance of portfolios.

Affiliate Asset Management or AAM

AAM provides asset and risk management services to institutional investors most of whom are affiliated with Sun Life Financial.

In addition to discretionary and non-discretionary investment advisory services, Adviser's trade desk and trade personnel can effect transactions for its affiliates that are not advisory clients of Adviser. Adviser performs this service as an accommodation on a "cost plus" basis for these affiliates. Adviser does not consider this accommodation activity to be part of its advisory business or any other business.

Insurance Asset Management or IAM

IAM customizes portfolios for insurance companies by understanding each client's underlying business through proprietary financial modeling and analysis. We analyze both the business environment and the company's financial position to help design a comprehensive investment policy, develop or refine investment guidelines and create an appropriate mix between taxable and tax-advantaged investments. We believe that managing investment portfolios for an insurance company requires an understanding of a variety of key factors. These factors include the business and regulatory environment, liquidity, earnings, surplus, cash flow, accounting and rating agency requirements and the insurance company's specific tax situation. The purpose of our insurance business analyses and asset allocation strategy is to develop customized performance benchmarks and investment guidelines that support each client's specific objectives and risk tolerances. IAM uses many of these same techniques to customize portfolios for non-insurance entities and high

net worth family offices. In addition, IAM offers clients investment reporting and accounting as a complement to this investment process.

Total Return Fixed Income or TRFI

Since inception, our philosophy and structure has been in place to add value through issue selection and sector rotation, minimizing interest rate risk by adhering to a duration neutral posture, while working towards reducing downside risk. We look for relative value at the issue level by examining historical relationships with comparative bonds and sub-sectors, in order to isolate mean reversion trades in both structured and corporate credit. We also look for upgrade candidates, especially in securitized bonds, and mispriced securities across the curve. As our business has evolved, we continue to adhere to our core philosophy and a culture that promotes low-turnover among our asset management team, which we believe promotes value for our clients.

ITEM 5: FEES AND COMPENSATION

Fees

The Adviser has three business units: Total Return Fixed Income or TRFI; Insurance Asset Management or IAM; and Affiliate Asset Management or AAM. Each unit has its own fee schedules, which are set forth below.

Certain separate account clients have negotiated Most Favored Nation ("MFN") clauses in their investment advisory agreements. MFN clauses typically require Adviser to inform the MFN client or to decrease the fees charged to the MFN client whenever Adviser enters into an advisory agreement at a lower fee rate with another separate account client of similar strategy and having similar characteristics such as account/relationship assets. As such, the applicability of a particular MFN clause will depend on its specific terms and the degree of similarity between institutional clients, including reporting requirements or level of service, the amount of assets under management and the particular investment strategy selected by each client. Adviser does not agree to MFN clauses in all circumstances.

Total Return Fixed Income (TRFI)

For discretionary asset management, TRFI has standard asset-based fee schedules for the products shown further below. Fees are negotiable, in the Adviser's sole discretion, based on a strategy, the size of assets under management or other unique circumstances. TRFI's fees are exclusive of any brokerage commissions, transaction fees, custodial fees and other related costs and expenses that are incurred by clients in connection with TRFI's advisory services. In certain circumstances, clients will incur charges imposed by custodians, brokers, and/or other third parties, including fees charged by managers, custodial fees, deferred

sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Prospective clients should be aware that in addition to TRFI's advisory fees for separate account management, each exchange-traded fund or mutual fund in which a client's assets are invested charges advisory fees as stipulated in this brochure. Fee schedules for ETFs and mutual funds can be found in the relevant prospectus. In addition, clients participating in TRFI derivatives strategies will pay execution commissions, clearing fees, and exchange fees for commodity interests purchased and sold for their accounts. For more information, please refer to Item 12 – Brokerage Practices.

In return for managing mutual fund assets, TRFI receives monthly investment advisory fees computed using the annual fee rate, shown in the table immediately below, applied to its average daily net assets.

Fund Name (Ticker)	Annual Fee Rate
Ryan Labs Core Bond Fund (RLCBX)	0.40%
Ryan Labs Long Credit Fund (RLLCX)	0.50%

In return for managing Collective Investment Trust ("CIT") assets, TRFI receives quarterly investment advisory fees: either accrued daily, charged quarterly in arrears, and remitted to TRFI by the CIT Trustee in the case of the R Fee Class; or charged quarterly in arrears based on the net asset value as of quarter-end and invoiced directly by TRFI in the case of the OIM Fee Class. The OIM Fee Class is available only for investment by plans with direct relationships with TRFI for management fees. CIT investment advisory fees are shown in the table immediately below.

CIT Fund Name (Ticker)	Annual Fee Rate (R Class)	Annual Fee Rate (OIM Fee Class)
SLC Management U.S. Core Bond Fund	0.20%	Negotiable
SLC Management U.S. Long Credit Fund	0.20%	Negotiable

TRFI does not charge a fee on client assets invested in the private funds to which it or an affiliate acts as manager because it receives a management fee directly from each fund as described and disclosed, alongside all other costs and expenses, in the respective offering documents. Additional costs and expenses borne by investors in the private funds to which TRFI acts as manager include:

- Organizational expenses, which may include the cost of preparing or amending the offering memorandum and the LLC agreement and preparing or supplementing the offering memorandum relating to such private fund series (if any), the cost of negotiating initial agreements with service providers and other related legal, accounting and administrative expenses.
- Operating expenses, which may include expenses related to each private fund series' existence, operations and investment program, including without limitation legal expenses (including blue sky fees and expenses), auditing, accounting and tax preparation fees and expenses, interest expense on borrowings, taxes, custodial fees, bank service fees, investor reporting expenses, valuation agent and appraisal fees and expenses, expenses related to the purchase, sale, maintenance or transmittal of investments and other assets, regulatory expenses (including legal fees, service provider fees, and filing fees and other corporate fees payable to governments or agencies), insurance for such series, fees paid to the administrator, the custodian and the manager of such series, and for operational, compliance support and similar services, investment expenses, extraordinary expenses (including without limitation the defense or initiation of lawsuits, litigation costs and indemnification obligations as determined by the manager of such series in its discretion), and all other expenses that the manager of such series has not expressly agreed to pay.

Fee schedules for separately managed accounts follow.

LDI Fee Schedule				
Increment		Segment Fee (%)	Total Asset Size	Total Fee (%)
Next	\$50,000,000	0.350%	\$50,000,000	0.350%
Next	\$50,000,000	0.300%	\$100,000,000	0.325%
Next	\$200,000,000	0.180%	\$300,000,000	0.228%
Next	\$200,000,000	0.145%	\$500,000,000	0.195%
Next	\$500,000,000	0.120%	\$1,000,000,000	0.158%
Next	\$500,000,000	0.100%	\$1,500,000,000	0.138%
Next	\$1,000,000,000	0.060%	\$2,500,000,000	0.107%

Market Enhanced Fee Schedule				
Increment		Segment Fee (%)	Total Asset Size	Total Fee (%)
Next	\$100,000,000	0.250%	\$100,000,000	0.250%
Next	\$200,000,000	0.150%	\$300,000,000	0.183%
Next	\$200,000,000	0.120%	\$500,000,000	0.158%
Next	\$500,000,000	0.100%	\$1,000,000,000	0.129%
Next	\$500,000,000	0.080%	\$1,500,000,000	0.113%
Next	\$1,000,000,000	0.050%	\$2,500,000,000	0.088%

High Yield Fee Schedule				
Increment		Segment Fee (%)	Total Asset Size	Total Fee (%)
Next	\$100,000,000	0.750%	\$100,000,000	0.750%
Next	\$200,000,000	0.450%	\$300,000,000	0.550%
Next	\$200,000,000	0.360%	\$500,000,000	0.474%
Next	\$500,000,000	0.300%	\$1,000,000,000	0.387%
Next	\$500,000,000	0.240%	\$1,500,000,000	0.338%
Next	\$1,000,000,000	0.150%	\$2,500,000,000	0.263%

Low Duration Fee Schedule				
Increment		Segment Fee (%)	Total Asset Size	Total Fee (%)
Next	\$100,000,000	0.450%	\$100,000,000	0.450%
Next	\$200,000,000	0.270%	\$300,000,000	0.330%
Next	\$200,000,000	0.216%	\$500,000,000	0.284%
Next	\$500,000,000	0.180%	\$1,000,000,000	0.232%
Next	\$500,000,000	0.144%	\$1,500,000,000	0.203%
Next	\$1,000,000,000	0.090%	\$2,500,000,000	0.158%

Supplementing its fee schedules shown above, TRFI has a standard minimum annual fee equal to \$10,000,000 multiplied by the Total Fee (%) of the first Increment.

Fees for the DRP and overlay strategies are based on the notional principal amount of the overlay, which is generally a function of the net assets in an associated underlay portfolio. Moreover, fees are negotiable based on a strategy, the size of assets under management or other unique circumstances.

The fees for the DRP strategy are composed of; (i) a flat fee of \$60,000 per annum per account, plus (ii) a tiered fee as shown below.

Defensive Risk Premia Fee Schedule			
Increment	Segment Fee	Total Notional Size	Total Fee
Base Account Fee Per Annum		All	\$60,0000
PLUS			
First \$50,000,000	0.200%	\$50,000,000	0.320%
Next \$150,000,000	0.100%	\$200,000,000	0.155%
Next \$800,000,000	0.060%	\$1,000,000,000	0.079%
Remaining Balance	0.003%	Total Notional	-

The standard fees for the Generic Overlay are composed of; (i) a flat fee of \$60,000 per annum per account, plus (ii) a tiered fee as shown below.

Generic Overlay Strategy Fee Schedule			
Increment	Segment Fee	Total Notional Size	Total Fee
Base Account Fee Per Annum		All	\$60,0000
PLUS			
First \$50,000,000	0.100%	\$50,000,000	0.2200%
Next \$150,000,000	0.050%	\$200,000,000	0.0925%
Next \$800,000,000	0.030%	\$1,000,000,000	0.0425%
Remaining Balance	0.015%	Total Notional	-

Fees are payable quarterly in arrears unless otherwise noted in the investment management contract. The specific manner in which fees are charged is established in a client's written agreement with TRFI. Accounts initiated or terminated during a calendar quarter are charged a pro-rated fee.

TRFI billing is done in two ways:

- 1) Direct billing for discretionary asset management is done quarterly in arrears;
- 2) Billing for accounts participating in certain consulting platforms is done quarterly via the custodian, and may include the direct debiting of fees as described under Item 15 - Custody.

Insurance Asset Management (IAM)

IAM's compensation for its investment advisory services is calculated in accordance with a fee schedule. IAM's fee schedule is in part: .25% for first fifty million dollars under management; .20% for the next two-hundred million dollars; .13% for the next two hundred fifty million dollars; and negotiable for the balance in excess of five-hundred million dollars. Additionally, fees may be subject to negotiation where circumstances warrant.

Under certain circumstances, IAM negotiates its fees, including fixed fees. Other than for multiple accounts, IAM's fees generally are not deducted from client assets. In the instances where fees are deducted it is specifically required by the client. It is IAM's practice to bill clients one quarter in advance, based on account valuations at the end of the previous quarter. In the event that assets are transferred into or out of

an account in between quarterly valuation dates, the fee shall be adjusted to include or exclude as appropriate the prorated portion for the period from the date of such transfer to the end of that quarterly period. IAM's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses that may be incurred by clients. Clients also 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, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Private placements have SVO fees for initial filings and annual rating maintenance fees. They may also have fees for a restructuring or work-out if they become distressed. Such charges, fees and commissions are exclusive of and in addition to IAM's fee, and IAM shall not receive any portion of these commissions, fees, and costs. Clients may pay an additional fee for customized reports. Fees unpaid after thirty days are subject to a monthly past due charge of 1.5% per month. Also, if applicable, accounting fees for non-Account assets are charged at a rate of 2-5 basis points/year, with a minimum annual fee of \$5,000-12,500, depending on the complexity of the instruments accounted for.

In the event a client terminates its Investment Management Agreement with IAM during a quarter, the client's fee is prorated until the end of the termination notice period such that a client will not pay fees with respect to any period during which its assets were not under IAM's management. It is IAM's present policy to allow termination of the Investment Management Agreement upon the expiration of 90 days written notice by either party.

Affiliate Asset Management (AAM)

AAM's fees are negotiated with the client, and are generally calculated as a percentage of assets under management. Generally, fees are payable monthly or quarterly, based on mutual agreement of Adviser and the client, in arrears, and are prorated in the event an agreement commences or terminates other than at month-end.

Adviser's fees are exclusive of any brokerage commissions, transaction fees, custodial fees and other related costs and expenses that are incurred by clients in connection with AAM's advisory services. Clients will bear any such charges imposed by custodians, brokers, and other third parties, including fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Certain Private placements are subject to initial filing fees and annual rating maintenance fees payable to the Securities Valuation Office of the National Association of Insurance Commissioners fees. Certain private placements also will

be subject to fees associated with a restructuring or work-out if they become distressed. Such charges and fees are exclusive of and in addition to Adviser's fee. AAM can, in its discretion, impose additional fees for Clients who require customized reports. Fees unpaid after thirty days are subject to a monthly past due charge.

AAM charges its management fee on client assets invested in the private funds to which it or an affiliate acts as investment manager by invoicing investors directly. This is described and disclosed, alongside all other costs and expenses, in the respective offering documents. Additional costs and expenses borne by investors in the private funds to which AAM acts as investment manager include:

- Ordinary expenses, which may include ordinary course operating expenses and other recurring fees, costs and other expenses related to the operations and activities of the fund, including: (i) investigating, purchasing, holding and disposing of investments (including due diligence review of investments and prospective investments); (ii) software licensing, data, service and market information relating to the fund's investment strategy (e.g., Bloomberg and/or other similar services) and trading and risk management software expenses; (iii) custodial fees and expenses; (iv) depositary fees and expenses; (v) bank service fees; (vi) audit, accounting, legal, tax planning and analysis, tax preparation (including preparation, distribution and filing of fund-related financial statements or other reports, tax returns, tax estimates and schedules K-1); (vii) printing, communications and postage; (viii) blue sky and other securities filings; (ix) administrative, regulatory and other filings or reports; (x) insurance premiums; (xi) administration of the fund; (xii) custody of fund assets; (xiii) annual and other meetings with any limited partner(s); (xiv) costs associated with the independent review committee; (xv) developing, licensing, implementing, maintaining or upgrading any web portal, extranet tools, computer software or other administrative or reporting tools (including subscription-based services) for the benefit of the fund or the limited partners; (xvi) valuation agent services (including third-party valuations, appraisals or pricing services); (xvii) transfer agency fees and expenses; (xviii) compliance with any law or regulation related to the activities of the fund (including regulatory expenses of the general partner and the investment manager incurred in connection with the operation of the fund and legal fees and expenses); (xix) compliance with any financial account reporting regime, including the Foreign Account Tax Compliance Act and the Foreign Account Reporting Requirements and any similar laws, rules and regulations, and fees and costs of any third-party service providers and professionals related to the foregoing; and (xx) travel-related expenses related to the foregoing, but excluding, in all cases the expenses of the general partner and the investment manager as described in the fund agreement
- Extraordinary expenses, which may include non-ordinary course fees, costs and other expenses, including investment-related fees, costs and other expenses, including: (i) those related to investment banking, advisory, other professional service providers in connection with holding, restructuring and

disposing of investments, (ii) taxes and other extraordinary fees, costs and expenses related to the acquisition, holding and disposition of investments (including break-up fees); (iii) of swaps or other derivative instruments and of negotiating trading arrangements with respect thereto; (iv) hedging costs; (v) brokerage fees, commissions and expenses; (vi) clearing and settlement charges; (vii) margin and other interest expenses and transaction fees; (viii) borrowing fees and expenses; (ix) indemnification expenses (subject to the limitations set forth in the fund agreement); (x) any taxes, fees and other governmental charges levied against the fund and all expenses incurred in connection with any tax audit, investigation settlement or review of the fund (except to the extent that the fund is reimbursed therefore by a reimbursing partner (as defined in the fund agreement)) or such tax, fee or charge is treated as having been distributed to the partners pursuant to the fund agreement; (xi) any costs and expenses of or related to the tax representative (as defined in the fund agreement) of the fund and (xii) termination, liquidation, winding up or dissolution of the fund.

In the event a client terminates its Investment Management Agreement with Adviser during a quarter, the client's fee is prorated until the end of the termination notice period. Termination provisions are as specified in each client's Investment Management Agreement.

With respect to certain investment advisory services provided to affiliated companies, Adviser's compensation can be limited to either reimbursement from the affiliate for the expenses Adviser incurs in providing these services, or reimbursement of such expenses plus a percentage of cost.

Additional Compensation and Conflicts of Interest

Sale of affiliated funds to clients

Certain supervised persons of Adviser are also registered representatives of Sun Life Institutional Distributors (U.S.) LLC ("SLID"), an affiliate broker-dealer, in order to sell interests in securities offered by Adviser or its affiliates, as detailed in Item 10. Such supervised persons are therefore entitled to receive compensation in connection with the sale of such securities, and have a financial incentive to recommend such securities to clients. SLID registered persons only offer affiliated funds to clients.

Adviser will disclose to a client its involvement, or that of a related person, as principal, investment adviser, or investor in any affiliated pooled vehicle which it is recommending to that client. Adviser does not exercise its discretionary authority over client accounts to invest those accounts in any affiliated pooled vehicle in which Adviser or a related person is involved as a principal, investment adviser, or investor, unless the client has specifically authorized Adviser to do so in the Investment Management Agreement.

Structuring or commitment fees

Any such fees received are provided to clients by crediting the client account. Adviser does not keep any fees received from the issuers of private credit.

Compensation of our Investment Professionals

Compensation of our investment professionals includes a combination of base salary, a performance-based annual cash incentive bonus, and a long-term incentive grant (for more senior roles). The base salary component is based on market data relative to similar positions within the industry as well as the past performance, experience, and responsibility of the individual.

Investment professionals' annual cash incentive bonus and long-term incentive grant is paid from an annual incentive pool. The incentive pool is determined annually based on a combination of individual compensation targets and competitive market pay levels formulated in consultation with external compensation experts. This target pool is increased or decreased annually by a multiplier based on SLC Management's performance. This multiplier is agreed annually between SLC Management and Sun Life Financial. This multiplier reflects both investment performance and business performance.

Each investment professional's incentive compensation, including both the annual cash incentive bonus and the long-term incentive grant, is primarily determined by client investment performance and client satisfaction, business performance and individual performance against established personal goals. All important factors in determining the size of the annual bonus awarded to each individual.

The long-term incentive is delivered through SLC Management's Phantom Share Unit Plan (SLC Shares), designed to align compensation to long-term SLC Management value creation. LTI awards for eligible participants are determined on an annual basis according to the deferral rates. For awards that exceed the deferral threshold, a portion of the award is deferred and awarded in SLC Management's long-term incentive compensation, with the remainder paid in cash.

Total compensation is designed to be competitive with the market, but an individual's actual compensation will vary. Investment professionals are all covered by the same general compensation structure, although they manage multiple accounts.

Conflicts Related to Valuation and Fees

Adviser may value identical assets differently in different client accounts across the business units due to, among others, different valuation guidelines applicable to such client accounts or different third-party pricing vendors. The discrete lines of business within the Adviser typically will be guided by specific policies and requirements with respect to valuation of client holdings, which can include

valuations that are provided by third parties, when appropriate, as well as comprehensive internal valuation methodologies.

When client accounts hold illiquid or difficult to value investments, we will engage a third party valuation firm with relevant expertise when feasible and agreed to by the client. In situations where this is not practical, we face a conflict of interest when making recommendations regarding the value of such investments since our fees are generally based on the value of assets under management. We believe that our valuation policies and procedures mitigate this conflict effectively and enable us to value client assets fairly and in a manner that is consistent with the client's best interests.

ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Adviser's general fee schedules for separate account clients do not include a performance component.

For some of its advisory clients, Adviser can effect cross-trades whereby one advisory client buys securities or other investments from or sells securities or other investments to another advisory client. When Adviser effects cross-trades there is an inherent conflict of interest since Adviser has an incentive to favor the advisory client or fund in which it or its affiliate has an ownership or economic interest and/or is entitled to a performance fee. Adviser's Cross Trade policy ensures any cross transaction is consistent with all applicable regulatory requirements governing such transactions and with Adviser's fiduciary obligations to the clients involved in any such transactions.

ITEM 7: TYPES OF CLIENTS

We provide investment advisory services to a variety of affiliated and unaffiliated global institutional clients. Our clients include pension and profit-sharing plans, public employee retirement systems, credit institutions, corporations, publicly offered investment funds and their investment managers, insurance companies, commingled trust funds, Taft-Hartley plans, charitable institutions, foundations, endowments, municipalities, family offices, and private investment funds and their investment managers. Minimum account sizes vary by investment strategy. In certain circumstances, we exercise our discretion to waive these requirements for minimum account sizes, however in these cases any minimum fees set forth in Item 5, where applicable, would still apply.

Certain affiliated clients (and certain other clients) have different or greater needs for information, reporting, operational support, training or other resources than our clients generally. For example, representatives of Sun Life, the general account of Sun Life Assurance Company of Canada (SLAC) and accounts of other affiliates that are responsible for assessing Sun Life's enterprise investment risk require access to information about our advisory services and assets, including for third parties that is

not made available to unaffiliated clients. Information provided to these Sun Life representatives excludes specific identifying information about unaffiliated clients as well as portfolio information for clients that have prohibited us from sharing such information with affiliates.

To help fight the funding of terrorism and money laundering activities, U.S. federal law requires financial institutions to obtain, verify and record information that identifies each person who opens an account on behalf of an investor. This means that Adviser will request from the client or its beneficial owners its name, address, government issued identification number and other information that allows Adviser to identify the client. If the client refuses to provide the information requested, Adviser will not be able to manage assets for the client.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Adviser provides investment strategies for institutional clients, many of whom are affiliated, including insurance companies. Adviser's primary securities investment strategies involve fixed income securities, including investments in both publicly traded and privately offered fixed income securities. Adviser also provides a range of investment strategies involving ETFs, derivatives and equity securities. Adviser also provides risk management or hedging strategies, which involve the use of various types of derivative instruments, for its clients. The Adviser has outsourced some of its investment research functions to a Sun Life service center in India for public fixed income and mortgage reviews. Adviser uses such information in its investment decision-making. Adviser also relies on Sun Life Capital Management (Canada) Inc. to source and underwrite certain types of transactions in private fixed income investments for portfolios of its clients, subject to the oversight and approval of Adviser. Such personnel are also covered under Adviser's Code of Ethics.

Adviser relies on sector specialists to assess credit and relative value across and within sectors and make recommendations to the Investment team. The portfolio management team utilizes the team of credit research analysts and structured credit and mortgage research analysts to formulate opinions based on fundamental research.

The credit research team focuses on company fundamentals such as revenue and earnings growth, ability to generate cash flow and debt repayment. Members of the credit research team are assigned industry sectors and each focuses on the fundamentals of their assigned sectors and the economic drivers that could impact the credit direction of their sectors. The structured credit research and mortgage team focuses on value and quality of collateral, structure and subordination of the collateral pool and economic trends that could affect the performance of the security or sector. Some business units within Adviser conduct their own research for their portfolio management activities that is not broadly shared.

Investing in securities involves risk of loss that clients should be prepared to bear. The advisory services are generally not intended to provide a complete investment program and Adviser expects that the assets it manages do not represent all of the client's or investor's assets. Clients and investors are responsible for appropriately diversifying their assets to guard against the risk of loss.

TRFI

The following factors have guided the formulation of our investment philosophy:

- We use a repeatable process: We believe that bottom up security selection using a repeatable process creates value. We seek “upgrade” candidates and mispriced securities (particularly in securitized credit). We look for relative value at the issue level by examining historical relationships with comparative bonds and sub-sectors to isolate mean reversion trades in both structured and corporate credit. We take a neutral stance on interest rates.
- We are opportunistic: We believe in actively managing portfolios to seek relative value. We look for risk that is fundamentally or technically mispriced in order to find investment opportunities. Avoiding the downside is critical to outperformance, and we are willing to underweight any sector.

TRFI's investment management strategies are usually developed with active involvement of the client and their consultants, and may utilize customized asset-liability benchmarks as an investment management technique. Clients normally impose restrictions, including responsible investment or environmental, social, and governance (“ESG”) restrictions, on investing in certain of securities (e.g. credit quality, type). The imposition of restrictions can act to prevent TRFI from fully implementing a desired investment strategy for a client, which could adversely impact performance when compared with accounts of the same strategy not so restricted by the program sponsor.

The firm also participates in various institutional wrap fee programs. Fees on wrap accounts are negotiated and invoiced directly to clients. Thus, Adviser's wrap fee revenues represent a portion of the wrap fee paid by the client to the sponsor. Wrap account portfolios managed in a wrap fee program are managed and receive allocations generally in the same way as other portfolios of the same strategy. However, differences in allocations arise for portfolios based on factors including but not limited to client imposed restrictions, considerations of liquidity (e.g. contributions and redemptions) and the extent to which a portfolio deviates from a strategy's model portfolio structure.

DRP and Overlay

- The objective of the Defensive Risk Premia (“DRP”) strategy is to seek to offset negative returns from extreme downside equity market movements resulting in a “flight to quality” into safe haven US Treasuries. The DRP

strategy seeks to establish positions in anticipation of short-term market changes, utilizing fundamental data as the main process input. It uses highly liquid Treasury Futures instruments on a long-only basis that is “systematic, non-trend, tactical trading”. Positions are established, calibrated and unwound based on a broad set of financial and economic indicators that are monitored on a daily basis.

- The objectives of the overlay completion strategy are to modify duration synthetically via the use of commodity interests in order to augment asset-liability management strategies. This can be achieved in a variety of ways. One technique, a strategic objective, can be achieved through positions that enhance duration and key rate matching against an index. Another technique, a tactical objective, can be achieved through positions that offset anticipated interest rate movements, for example using interest rate swaps or swaptions.

TRFI uses certain various methods of analysis, described below, in managing its client assets.

Qualitative

1. Fundamental: Bottom-up/top-down credit research analysis of bond issuers
2. Relative: Research and screens on the relative value of a position compared with other fixed income sectors and sub-sectors, as well as spread valuation compared with the Treasury or swap curve.
3. Technical: Supply and demand of products across the market
4. Yield curve: Various positions perform differently based on both the shape of the curve and macroeconomic forces/trends

Quantitative

1. SMART: Daily index replication, risk-reward calculations of the Index
2. DAILY: Risk management of the portfolio versus the Index on a daily basis; documentation of risk/reward issues

Investment Strategies:

1. Interest rate neutral versus an index
2. Value added through issue selection and sector rotation

Risk of Loss Analysis:

1. Breakeven analysis over a 3, 6, and 12-month horizon
2. Probability of default analysis
3. Portfolio diversification

IAM and AAM

Fixed Income Strategies

With respect to its fixed income investment strategies, IAM and AAM seek to manage the liabilities of its clients through the selection of securities that match the duration and expected cash flows of its client's insurance products.

Public Fixed Income

IAM and AAM's relative value strategy seeks performance through security and sector selection and weighting based on fundamental research, and rotation within and across sectors based on relative value opportunities and economic outlook to achieve attractive risk adjusted returns.

IAM and AAM also seek to manage portfolio risk by active diversification across securities and sectors so as not to have concentrations that could have an adverse impact on portfolios. Where pertinent, IAM and AAM seek to actively manage interest rate risk by looking to maintain portfolio duration within ranges as agreed to by the client. While duration management is expected to remain within the constraints established, it is also actively managed and plays a role in generating returns and managing risk. The outlook for rates evolves from IAM and AAM's view on the economy and economic policy over time.

Private Fixed Income

Adviser's relative value strategy in the private fixed income markets is to seek yield above public bonds of comparable credit quality from transactions that require industry sector expertise, as well as expertise in evaluating complex transactional structures. Examples of such investments include long term debt financing; senior secured and unsecured loans to high credit quality large corporate borrowers; structured finance, including financing of clean energy, infrastructure and transportation assets, and financing secured by pools of financial assets originated and managed by third parties which may include loans, leases or other types of financial obligations.

Credit research focuses on company fundamentals such as revenue and earnings growth, ability to generate cash flow and debt repayment, and economic drivers that could impact the credit of the borrower. In structured transactions, the analyst focuses on value and quality of collateral, structure and subordination of the collateral pool and economic trends that could affect the performance of the security or sector. Members of the private fixed income team are organized by industry group for corporate credit transactions, and by transaction type for securitization transactions.

Fixed Income Investment Strategy Risks applicable to TRFI, IAM and AAM

There is no assurance that the objective of any fixed income investment strategy can be achieved. The principal risks associated with the Adviser's fixed income strategies are interest rate risk, credit risk, liquidity risk, prepayment risk, extension risk, market risk, and rating agencies risk, which are described in more detail below. To the extent a fixed income strategy employs investments in mortgage-backed or asset-backed securities, high yield securities, private fixed income or foreign fixed income securities, it can also experience risks associated with these investments, as described in more detail below. In addition, Adviser's judgments about the relative value of securities selected for the portfolio can prove to be wrong.

- Interest rate risk involves the risk that interest rates will go up, causing the value of the portfolio's fixed income securities to go down, and the risk that interest rates will go down, potentially causing a negative impact on reinvestment returns. This risk can be greater for securities with longer maturities.
- Credit risk is the risk that the issuer of fixed income securities owned by the portfolio will default on its payment obligations, become insolvent, or have its credit rating downgraded by a rating agency and thereby causing the market value of the securities to decrease.
- Liquidity risk is the risk that Adviser may be unable to sell a given security at an advantageous time or price or to purchase the desired level of exposure for the portfolio. This is especially relevant for private fixed income investing.
- Prepayment risk or "call" risk is the risk that the issuer of a callable security will exercise its right, when interest rates are falling, to prepay principal earlier than scheduled, forcing the portfolio to reinvest in lower yielding securities.
- Extension risk is the risk that the issuer of a security will exercise its right, when interest rates are rising, to extend the time for paying principal, which will lock in a below-market interest rate, increase the security's duration and reduce the value of the security.
- Market risk is the risk that prices of securities in the portfolio will fall as a result of general market movements, adverse market reactions to recent events or trends, including unfavorable company news.
- Rating agencies risk is the risk that rating agencies, on which the Adviser can rely in part when selecting securities for the portfolio, are incorrect in their evaluation of an issuer's financial condition or fail to make timely changes in credit ratings upon a change in such issuer's condition.
- For investments in mortgage-backed or asset-backed securities, the portfolio's investments in these types of securities are affected by the characteristics of the

underlying assets, which can increase their levels of interest rate risk, extension risk and prepayment risk.

- For high yield securities, there is also the risk that an economic downturn or period of rising interest rates will adversely affect the market for high yield securities and reduce the portfolio's ability to sell its high yield securities. High yield securities can be subject to greater levels of interest rate risk, credit risk, and liquidity risk than other fixed income securities. High yield securities are considered primarily speculative with respect to the issuer's continuing ability to make principal and interest payments.
- For foreign securities, there is the risk that prices of the portfolio's foreign securities can go down because of foreign government actions, political instability, or the more limited availability of accurate information about some foreign issuers.
- For investments in emerging market or developing countries, there is also the risk that these investments will perform poorly as a result of market, credit, currency, liquidity, legal, political and other risks different from, or greater than, those affecting investment in developed foreign countries.
- Foreign securities also involve currency risk, which is the risk that the value of interest paid on non-dollar and non-U.S. securities, or the value of the securities themselves, will fall because currency exchange rates change.
- Foreign issuers of securities denominated in U.S. currency can face a greater risk of default than U.S. issuers if the issuer's currency is significantly devalued against the U.S. dollar.
- Securities selection risk is the risk that Adviser's judgments about the relative values of securities selected for the portfolio can prove to be wrong.
- Reinvestment risk, which hurts investor returns in declining interest rate environments;
- Inflation risk, which reduces the buying power of fixed income cash flows, and lessens the market value of most bonds;
- Transaction cost risk, which occurs when an investment's cost and fees are so high that they detract from an investor's returns;
- Legislative risk, which occurs when a legislative body changes a tax code and affects the value of interest income; and

- Event risk, which occurs when events unforeseen at the time of the bond's issuance interferes with an issuer's ability to make timely interest or principal payments
- Settlement Risk. Settlement risk is the possibility that a trading counterparty fails to pay cash or deliver securities upon the scheduled settlement of a trade.
- Operational Risk. We rely heavily on our portfolio management, trading, financial, accounting and other data processing systems. Operational risks arising from failed processes and systems, human error or external events, as part of the trading lifecycle (execution, confirmation, and settlement) as well as other activities in support of our clients, may cause financial loss, disruption to our business, liability to clients or third parties, regulatory action, or reputational harm. An increase in the volume or complexity of client transactions could increase these risks.

Derivatives Strategies

Adviser advises its institutional clients on risk management strategies that can include the use of derivatives.

Adviser also offers derivative strategies that reduce client asset-liability or asset-only risk exposures through the use of financial derivatives, namely futures and swaps. There are two main classifications of strategies that we offer only to institutional clients or Qualified Eligible Persons. One, the Defensive Risk Premia ("DRP") strategy uses financial futures as a cost-effective solution to reduce (hedge) potential downside risk exposure arising from short-term market sell-offs. This strategy dynamically adjusts futures in response to market signals based upon a proprietary quantitative model. The potential benefits to clients would include less severe drawdowns, less portfolio or surplus volatility, and potentially superior risk-adjusted returns. The second, the Overlay Completion strategy, can be described as an overlay of financial futures and interest rate swaps, as follows:

1. Completion Overlay - Increase interest rate matching between clients' assets and liabilities to reduce surplus volatility and increase the likelihood of funding level improvement.
2. Synthetic Equity Beta - Maintain a desired level of interest risk matching while providing additional equity exposure through synthetic equity beta.
3. Swaption - Maintain current portfolio of assets while reducing portfolio impact of interest rate changes through option strategies

Adviser may use derivatives in client portfolios to seek to limit potential gains or losses caused by changes in exchange rates, stock prices or interest rates. This is called hedging. Adviser can also use derivatives in client portfolios for non-hedging purposes, such as reducing transaction costs, increasing liquidity, gaining exposure

to financial markets or indices, replicating investments, or increasing speed and flexibility in making portfolio changes.

There is no assurance that the objective of any risk management strategy can be achieved.

The principal risks associated with Adviser's use of derivatives in risk management strategies are described in more detail below. In addition, Adviser's judgments about the relative value of investments selected for the portfolio can prove to be wrong.

- Adviser's hedging strategy may not be effective. Attempts by Adviser to hedge risk or profit from hedging positions can be unsuccessful and/or result in losses.
- There may be no market for the derivative contract when a portfolio wants to buy or sell.
- Adviser may not be able to find an acceptable counterparty willing to enter into a derivative contract.
- The counterparty to the derivative contract or central clearing house may be unwilling or unable to meet its obligations.
- To the extent that a large percentage of the assets of a portfolio can be subject to derivatives transactions with one or a limited number of counterparties or clearing houses, the portfolio could incur significant losses in the event of a default by one or more of such counterparties or clearing houses.
- Securities exchanges can set daily trading limits or halt trading, which can prevent a portfolio from selling a particular derivative contract.
- The price of a derivative may not accurately reflect the value of the underlying asset.
- Derivatives can involve leverage which can magnify a portfolio's exposure to market values, interest rates or currency exchange rates, so that small changes in such values or rates can produce disproportionately large losses.
- A client could experience a loss of all or part of any margin, cash or securities, on deposit with a counterparty if that counterparty goes bankrupt.
- The posting of derivative collateral and margin could result in liquidity demands for a client. A client will need to hold ample eligible collateral and margin to satisfy collateral requirements.

Equity Strategies

With respect to its equity strategies, Adviser utilizes primarily passively managed strategies designed to replicate or closely track a broad market index, while maintaining strict adherence to the investment guidelines of each portfolio through the use of funds or single name equities.

There is no assurance that the objective of any equity investment strategy can be achieved. The principal risks associated with Adviser's equity strategies are described in more detail below.

- Stock markets can go down or perform poorly relative to other types of investments.
- The market can undervalue the stocks held by the portfolio for longer than expected.
- To the extent a portfolio invests in securities of REITs or other real estate related companies, these securities can experience the same risks as direct ownership of real estate, such as the risk that the value of real estate could decline due to factors that affect the real estate market generally. These securities can also decline in value due to the capability of their managers, limited diversification, and changes in tax laws.
- ETFs are subject to certain risks, including: (1) the risk that their prices may not correlate perfectly with changes in the underlying index; and (2) the risk of possible trading halts due to market conditions or other reasons that, in the view of the exchange upon which an ETF trades, would make trading in the ETF inadvisable. An exchange traded sector fund can also be adversely affected by the performance of that specific sector or group of industries on which it is based.
- To the extent a portfolio has a significant portion of its assets invested in securities of companies conducting business in the same industry or in a closely related group of industries within an economic sector, this positioning could make the portfolio more vulnerable to unfavorable developments in an industry or sector than portfolios that invest more broadly.
- To the extent a portfolio invests in foreign securities, there is risk that foreign equity markets, which can be more volatile than the U.S. market due to increased risks of adverse political, regulatory, market, or economic developments, will underperform the U.S. market or other types of investments.
- To the extent a portfolio invests in foreign or multinational companies, the portfolio can experience greater market, liquidity, currency, political, information and other risks than if it invested only in U.S. companies.

Risks Related to Conflicts of Interest

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

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

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

We follow Sun Life's policies on business ethics, personal securities trading, and information barriers. We have adopted a code of ethics (see Item 11), allocation policies and conflicts of interest policies, among others, and have adopted supervisory procedures to monitor compliance with our policies. We cannot guarantee, however, that our policies and procedures will detect and prevent, or result in the disclosure of, each and every situation in which a conflict may arise.

Cybersecurity Risk

Adviser acknowledges the risks related to breaches in cybersecurity. In general, a breach in cybersecurity can result from deliberate attacks or unintentional events. Cyber-attacks include, but are not limited to, gaining unauthorized access to digital systems for purposes of misappropriating assets or sensitive information, corrupting data or causing operational disruption. Cyber-attacks can also be carried out in a manner that does not require gaining unauthorized access. Cyber incidents affecting Adviser and other service providers have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, impediments to trading, the inability of investors to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs or additional compliance costs. Similar adverse consequences could result from cyber incidents affecting issuers of securities in which a strategy invests, counterparties with which an account engages in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers and other financial institutions and other parties. In addition, substantial costs can be incurred in order to prevent any cyber incidents in the future. While service providers have established business continuity plans in the event of, and risk management systems to prevent, such cyber incidents, there are inherent limitations in such plans and systems including the possibility that

certain risks have not been adequately identified or prepared for. Sun Life Financial reviews critical providers' cybersecurity programs for adequacy.

ITEM 9: DISCIPLINARY INFORMATION

Adviser has no disciplinary information to report in response to this Item 9.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Adviser's relationships with affiliates

As an indirect wholly-owned subsidiary of Sun Life, we are part of a diversified, global financial services organization. We are affiliated with many types of U.S. and non-U.S. financial service providers, including insurance companies, broker-dealers, commodity trading advisers, commodity pool operators and other investment advisers. Some of our employees are officers of and/or provide services to some of these affiliates.

Adviser's CFTC/NFA registrations

Adviser is registered as a Commodity Trading Advisor and a Commodity Pool Operator with the CFTC under the CEA and a Member of the NFA, and certain of our management persons and other employees are our Associated Persons when we act in those capacities. Accordingly, certain related persons that are Associated Persons have passed the National Commodity Futures Examination ("Series 3") and must adhere to all applicable NFA requirements.

Adviser's Relationships with Affiliated Broker-Dealers

Sun Life Financial indirectly owns 100% of Sun Life Institutional Distributors (U.S.) LLC ("SLID"), a registered broker-dealer and member of the Financial Industry Regulatory Authority (FINRA). SLID markets private funds and limited partnerships managed by BentallGreenOak (BGO) and Adviser. Certain of the supervised persons of Sun Life Institutional Distributors (U.S.) LLC are associated persons of Adviser or its affiliates. SLID and Adviser are under common control. On a non-discretionary basis, Adviser can recommend that a client invest in a private fund advised by Adviser and distributed by SLID.

BGO US Real Estate LP is the sole member of BentallGreenOak Real Estate US LLC, which is registered with FINRA as a broker-dealer. BentallGreenOak Real Estate US LLC acts as placement agent for certain of the Funds advised by BGO US Real Estate LP and BentallGreenOak.

To facilitate the sale of private placement securities offered by Adviser's affiliates, certain supervised persons of Adviser are registered representatives of SLID. Those supervised persons are therefore entitled to receive compensation in connection with the sale of such securities, and have a financial incentive to recommend such

securities to clients. Additional details regarding individuals registered with SLID can be found in the Form ADV Part 2B Supplemental Brochure.

Adviser will disclose to its clients its involvement as principal, investment adviser, or investor, or that of a related person, in any affiliated pooled vehicle which it is recommending to such clients. Adviser does not exercise its discretionary authority over client accounts to invest those accounts in any affiliated pooled vehicle in which Adviser or a related person is involved as a principal, investment adviser, or investor, unless the client has specifically authorized Adviser to do so in the Investment Management Agreement.

We do not use affiliated broker-dealers to execute portfolio transactions for our clients; however, when we advise clients to invest in private funds advised by us or our affiliates, and the client chooses to so invest, the placement of interests in the fund will be through an affiliated placement agent.

As discussed in Item 5, above, certain of our management persons and other employees are registered representatives of SLID, an affiliated SEC registered broker-dealer.

Adviser's Relationships with Affiliated Investment Advisers

We are affiliated with, and have or may have material relationships with, the following investment advisers:

Sun Life Financial owns indirectly approximately 95.3% of the outstanding securities of Massachusetts Financial Services Company ("MFS"). MFS is a registered investment adviser and sponsor of various investment companies. MFS Institutional Advisors, Inc. ("MFSI") is a registered investment adviser that is a wholly owned subsidiary of MFS. MFSI is a sub adviser to Adviser. MFS and the Adviser are under common control.

Sun Life Financial indirectly owns 100% of Sun Life Global Investments (Canada) Inc. ("SLGI"), a fund manager that designs and manages both in-house and subadvised investment solutions for retail and institutional investors. SLGI is registered with the securities commissions and regulatory authorities in all provinces in Canada. Adviser is a sub adviser to SLGI.

Sun Life Financial indirectly owns 100% of Sun Life Capital Management (Canada) Inc. ("SLCC"), a Toronto-based asset management company specialized in liability driven investing to defined benefit pension plans and other institutional investors in Canada. SLCC is registered with the securities commissions and regulatory authorities in all provinces in Canada. SLCC is a member of the SLC Management group of companies. SLCC and the Adviser are under common control.

The Adviser shares certain personnel with, or relies on the resources of, SLCC, as a “Participating Affiliate” of the Adviser, in providing advice to clients, including SLCC’s trading desk. Adviser and SLCC have entered into a Memorandum of Understanding pursuant to which SLCC agreed, among other things, that all of its personnel who are involved in the provision of investment advice to Adviser’s clients (each, an “Affiliate Associated Person”), are subject to the relevant provisions of Adviser’s compliance program and Code of Ethics and required to maintain relevant records with regard to such activities. SLCC has also agreed to submit to the jurisdiction of U.S. courts for actions arising under the U.S. securities laws in connection with these investment advisory activities.

Sun Life Financial indirectly owns a majority of Bentall GreenOak(BGO). BGO's affiliated investment advisers include:

- (a) BentallGreenOak (U.S.) Limited Partnership, a Seattle-based registered investment adviser that counsels clients on their direct investments in office, industrial, retail, multi-family residential and hospitality real estate throughout the United States, and

- (b) Sun Life Financial indirectly owns 100% of BGO Capital (Canada) Inc., formerly BKC Capital Inc., a Canadian dealer, adviser and investment fund manager. BKC and BentallGreenOak are under common control. BKC markets funds managed by BentallGreenOak.

BGO is a member of the SLC Management group of companies.

The adviser regularly exchanges investment research and economic analysis with investment personnel employed by other Sun Life Financial affiliates, excluding Massachusetts Financial Services Company (“MFS”) where Sun Life has established an Ethical Wall Operating Guideline to mitigate this conflict of interest. Adviser may use this research and analysis in its investment decision-making on behalf of its clients. To mitigate potential conflicts of interest in the personal securities trading of the individuals who participate in these exchanges, such participants are subject to a Code of Ethics, which is described in Item 11 below. Adviser uses trade allocation procedures designed to ensure that the allocation of investment and trading opportunities is fair and equitable to all clients over time, as described in Item 11, below.

In addition to the advisers described above, other affiliated investment advisers include SLF’s Philippines and Hong Kong businesses. We provide advisory or sub advisory services with respect to certain accounts managed by these affiliates. We also have service agreements with some of these affiliates under which we may perform services for them or they may perform services for us.

Subadvisers are typically compensated out of Adviser’s management fees. Adviser periodically reviews each subadviser to identify, and address as needed, any potential conflicts of interest. One such conflict is Adviser’s incentive to select

MFSI (or another affiliate of Adviser) as a subadviser so that the benefits of the subadviser fees stay within Sun Life Financial's corporate family. Adviser must adhere to its fiduciary duty owed to its clients in selecting subadvisers. We have established policies and procedures to manage this conflict.

Relationships with Affiliated Insurance Companies

Sun Life Financial is the 100% owner of Sun Life Assurance Company of Canada ("Sun Life of Canada"), a Canadian life insurance company, to whom Adviser provides investment advisory services for a portion of the general accounts and certain separate accounts. Sun Life Financial was also the 100% owner, indirectly, of the following insurance companies and dental plans to which Adviser provides investment advisory services as of December 31, 2019:

- Independence Life and Annuity Company ("Independence Life");
- Professional Insurance Company ("PIC");
- Sun Life and Health Insurance Company (U.S.) ("SLHICUS");
- Sun Life Financial (U.S.) Reinsurance Company;
- Sun Life Financial (U.S.) Reinsurance Company II;
- PT. Sun Life Financial Indonesia;
- Sun Life of Canada (Philippines), Inc.;
- Sun Life Insurance (Canada) Limited;
- Sun Life Hong Kong Limited ("Sun Life (H.K.)");
- Sun Life Assurance Company of Canada (U.K.) Limited ("Sun Life (U.K.)");
- Sun Life Financial (Bermuda) Reinsurance Ltd.;
- Denticare of Alabama, Inc.;
- UDC Dental California, Inc.;
- UDC Ohio, Inc.;
- Union Security DentalCare of Georgia, Inc.;
- Union Security DentalCare of New Jersey, Inc.;
- United Dental Care of Arizona, Inc.;
- United Dental Care of Colorado, Inc.;
- United Dental Care of Michigan, Inc.;
- United Dental Care of Missouri, Inc.;
- United Dental Care of New Mexico, Inc.;
- United Dental Care of Texas, Inc.; and
- United Dental Care of Utah, Inc.

While the Adviser maintains autonomous investment processes, it leverages the resources and services of its advisory affiliates and Sun Life Financial for certain functions. Under this structure, certain compliance, legal, operational, finance and other support functions within the Adviser are supported by the infrastructure within Sun Life. Subject to Sun Life's supervision, we serve as the principal investment adviser for the general account and separate accounts of our affiliated insurance

companies. The affiliated insurance companies noted above may also invest in the Private Investment Funds that we or our affiliates manage.

The CIO of Sun Life is an employee of the Adviser and supervises the management of Sun Life's accounts, which make up a substantial portion of our assets under management. Sun Life Financial and the Sun Life Financial Insurance Companies benefit from lower fees being charged for asset management or related services. Certain of Adviser's employees are also officers of Sun Life. Given the percentage of assets under management that are attributable to these entities, a conflict arises as to the allocation of investment opportunities between them and our other clients. In addition, certain issuers of private placement notes may only offer their securities to our affiliated insurance company client. In that case, our allocation policies are not applicable because it is the note issuers making the allocations.

To address this potential conflict of interest, we have adopted several procedures that are intended to ensure that all client accounts are treated fairly and equitably over time. Pursuant to these procedures, it is not permissible to allocate or re-allocate an order to enhance the performance of one account over another. It is also not permissible to favor any account over another. Compliance with these requirements is monitored as part of our supervisory review process.

To further mitigate this potential conflict, our affiliated insurance company general accounts generally follow buy-and-hold strategies and have different investment objectives from our third-party and separately managed accounts, which generally follow specific benchmarks and customized investment objectives. As a result of these different strategies, transactions that are appropriate for an affiliated general account may not be appropriate for a separately managed account or unaffiliated account and vice versa. Such a determination typically is made by the portfolio manager prior to executing a trade, and the rationale for the investment decision is documented as part of the trading process. Our Compliance Department conducts periodic reviews to ensure that allocation decisions are being properly documented.

Affiliate Relationships with Limited Partnerships and Limited Liability Companies

As described above, we serve as the investment manager of certain commingled investment vehicles, including limited partnerships and limited liability companies, for which we or our affiliates serve as general partner or managing member.

- Adviser is a General Partner of SLC Management TIPS Partners, LP.
- Adviser is the Investment Manager to the SLC Management Multi-Series LLC private fund series as well as a non managing member (or managing member if applicable).

Co-investment by Affiliates

In some cases, our affiliates will provide initial funding or otherwise invest in vehicles managed by us. When an affiliate provides "seed capital" or other capital for a fund,

it often will do so with the intention of redeeming all or part of its interest at a future point in time or when it deems that sufficient additional capital has been invested in that fund.

The timing of a redemption by an affiliate could disadvantage other investors in the fund. For example, it is possible that the fund will be more liquid at the time of the affiliate's redemption than it is at times when other investors wish to withdraw all or part of their interests.

An affiliate's sale of its interest in a fund can adversely impact the value of the underlying holdings in the fund if the assets are generally illiquid such as mortgages or private fixed income instruments. The Adviser can advise an affiliate regarding redemption timing and will not necessarily consider the needs of other investors in doing so.

In addition, a consequence of any withdrawal of a significant amount, including by our affiliate, is that investors remaining in the fund will bear a proportionately higher share of fund expenses following the redemption.

We could also face a conflict if the interests of an affiliated investor in a fund we manage diverge from those of the fund or other investors. For example, our affiliates, from time to time, hedge some or all of the risks associated with their investments in certain funds we manage. In some cases we provide assistance in connection with this hedging activity.

We believe that the conflicts related to our affiliations described above are mitigated by our allocation policies and procedures and our supervisory review of accounts.

Conflicts Related to Our Financial Interests and the Financial Interests of Our Affiliates

Adviser and our affiliates at times have financial interests in, or relationships with, companies whose securities or related instruments we hold, purchase or sell in our client accounts. Certain of these interests and relationships are material to us or to the Sun Life enterprise. At any time, these interests and relationships could be inconsistent, or in potential or actual conflict, with positions held or actions taken by us on behalf of our client accounts. For example:

- We invest in the securities of one or more clients for the accounts of other clients.
- Our affiliates sell various products and/or services to certain companies whose securities we purchase and sell for our clients.
- We invest in the debt securities of companies whose equity is held by affiliates.

- Our affiliates hold public and private debt and equity securities of a large number of issuers. We invest in some of the same issuers for our client accounts but at different levels in the capital structure.
- Certain of our affiliates (as well as directors or officers of our affiliates) are officers or directors of issuers in which we invest from time to time.

In general, conflicts related to the financial interests described above are addressed by application of our policies and procedures and the fact that we make investment decisions for each client independently considering the best economic interests of such client.

Conflicts Arising Out of Legal Restrictions.

In certain circumstances, we are restricted by law, regulation, contract or other constraints as to how much, if any, of a particular security we are permitted to purchase or sell on behalf of a client, or as to the timing of such purchase or sale. Sometimes these restrictions apply as a result of our relationship with Sun Life Financial and our other affiliates. For example, we do not purchase securities issued by Sun Life Financial or our other affiliates for client accounts.

In addition, we could receive material, non-public information with respect to a particular issuer and, as a result, be unable to execute transactions in public securities of that issuer for our clients. This information can be received voluntarily or involuntarily and under varying circumstances, including, upon execution of a non-disclosure agreement, as a result of serving on the board of directors of a company, or serving on an ad hoc or official creditors' committee. In some instances, we may create an isolated information barrier around a small number of our employees so that material, non-public information received by such employees is not attributed to the rest of Adviser's Fixed Income operations.

Conflicts Related to Investment Consultants.

Many of our clients and prospective clients retain investment consultants (including discretionary investment managers and OCIO providers) to advise them on the selection and review of investment managers (including with respect to the selection of investment funds). We have dealings with these investment consultants in their roles as discretionary managers or non-discretionary advisers to their clients. We also have independent business relationships with investment consultants.

- We provide investment consultants with information about accounts that we manage for their clients (and similarly, we provide information about funds in which such clients are invested), in each case pursuant to authorization from the clients. We also provide information regarding our investment strategies to investment consultants, who use that information in connection with searches that they conduct for their clients. We often

respond to requests for proposals in connection with those searches.

Other interactions we have with investment consultants include the following:

- from time to time, we invite investment consultants to events or other entertainment hosted by us;
- we purchase software applications, market data, access to databases, technology services and other products or services from certain investment consultants; and
- we subscribe to forums, news updates and conferences organized by investment consultants.

We will provide you with information about our relationship with your investment consultant upon request. In general, we rely on the investment consultant to make the appropriate disclosure to its clients of any conflict that the investment consultant believes to exist due to its business relationships with us.

Conflicts Related to Service Providers.

We retain third party advisers and other service providers to provide various services for our firm as well as for funds that we manage or subadvise. A service provider may provide services to Adviser or one of our funds while also providing services to other Sun Life units, other Sun Life advised funds, or affiliates of the Adviser, and may negotiate rates in the context of the overall relationship. We may benefit from negotiated fee rates offered to our funds and vice versa. There is no assurance, however, that we will be able to obtain advantageous fee rates from a given service provider negotiated by our affiliates based on their relationship with the service provider, or that we will know of such negotiated fee rates.

ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Pursuant to SEC rule 204A-1, Adviser has adopted and maintains a Code of Ethics to which the Adviser and each of its employees must adhere.

The Adviser's Code of Ethics describes the high standard of business conduct expected of its personnel, and the fiduciary duties owed to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition on rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other provisions. Certain of these provisions are described further below.

The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of the Adviser will not interfere with making decisions in the best interest of advisory clients and implementing such decisions.

Employee trading is monitored under the Code of Ethics to prevent conflicts of interest between Adviser and its clients via a software system. All supervised persons at Adviser must acknowledge the terms of the Code of Ethics annually, and as amended.

Adviser will provide a copy of the Code of Ethics to any client or any prospective client upon request.

Personal Securities Trading Standards

We maintain personal securities trading standards that govern the trading activities of our employees as well as their household members and dependents. Subject to certain limited exceptions, employees are required by the standards to:

- report personal securities transactions on a quarterly basis;
- pre-clear personal securities transactions (for persons considered to be “access persons” under SEC rules);
- annually report securities holdings.
- access persons are generally prohibited from purchasing securities in initial public offerings;
- access persons may not knowingly trade any reportable security on the same day that we trade such security (or an equivalent security) for client accounts (other than in client accounts that replicate a broad-based index);
- access persons are prohibited from knowingly trading any reportable security within seven days before or after we trade such security (or an equivalent security) for client accounts (other than in client accounts that replicate a broad-based index);

We compare personal trading activity versus firm trading activity and our restricted list and any matches are investigated by our compliance unit. An ethics committee meets regularly to consider possible violations and take disciplinary action where appropriate.

All employees receive routine training regarding our personal securities trading and information barrier standards. In addition, employees must annually confirm that they have read and understand our code of ethics, including the personal securities trading and information barrier standards.

Gift and Entertainment Policy

Our employees may occasionally give or receive gifts, meals or entertainment, subject to compliance with applicable laws and regulations and rules of self-regulatory organizations. Adviser has adopted a policy to address the conflicts of

interest related to gifts and entertainment, such as the appearance of having given or received something of value that influenced our business decisions or the business decisions of our clients. The policy requires the reporting and preclearance of gifts, meals and entertainment given or received which exceed certain thresholds. In addition, our employees are prohibited from soliciting the receipt of gifts, meals or entertainment. Senior management periodically reviews summaries of gifts and entertainment activity to detect trends of abuse, conflicts of interest, or possible violations of the policy.

Political Contributions

Due to the potential for conflicts of interest, Adviser has established policies and procedures relating to political contributions that are designed to comply with applicable federal, state and local law. Under Adviser's political contributions policy, all covered employees must obtain preapproval before making any political contribution. This policy also prohibits covered employees from making any political contributions with the intent of influencing a public official regarding the award of a contract to Adviser or its affiliates.

Conflicts Related to Outside Business Activity

From time to time, certain of our employees or officers may engage in outside business activity, including outside directorships. Any outside business activity is subject to prior approval pursuant to our Code of Ethics. Actual and potential conflicts of interest are analyzed during such approval process. We could be restricted in trading the securities of certain issuers in client portfolios in the event that an employee or officer, as a result of outside business activity, obtains material, nonpublic information regarding an issuer.

Conflicts Relating to the Adviser's Recommendations or Allocations of Client Assets

Adviser will disclose to its clients its involvement as principal, investment adviser, or investor, or that of a related person, in any affiliated pooled investment vehicle which it is recommending to such clients. Adviser does not exercise its discretionary authority over client accounts to invest those accounts in any affiliated pooled investment vehicle in which Adviser or a related person is involved as a principal, investment adviser, or investor, unless the client has specifically authorized Adviser to do so in the Investment Management Agreement.

Sub Advisory Relationships

The Adviser engages affiliated and/or unaffiliated subadvisers for certain investment services. The Adviser typically compensates subadvisers out of the advisory fees it receives, which creates an incentive for the Adviser to select subadvisers with lower fee rates or to select affiliated subadvisers. In addition, the subadvisers have

interests and relationships that create actual or potential conflicts of interest. Adviser periodically reviews each subadviser to identify, and address as needed, any potential conflicts of interest. Adviser must adhere to its fiduciary duty owed to its clients in selecting subadvisers. We have established policies and procedures to manage this conflict.

Conflicts Relating to Investment in Securities which the Adviser or a Related Person Has a Material Financial Interest

The Adviser and its related persons recommend or invest in securities on behalf of its clients that the Adviser and its related persons also purchase or sell. As a result, positions taken by the Adviser and its related persons may be the same as or different from, or made contemporaneously or at different times than, positions taken for clients of the Adviser. As these situations involve actual or potential conflicts of interest, the Adviser has adopted policies and procedures relating to personal securities transactions, insider trading and other ethical considerations. These policies and procedures are intended to identify and mitigate actual and perceived conflicts of interest with clients and to resolve such conflicts appropriately if they do occur. The policies and procedures contain provisions regarding pre-clearance of employee trading, reporting requirements and supervisory procedures that are designed to address potential conflicts of interest with respect to the activities and relationships of related persons that might interfere or appear to interfere with making decisions in the best interest of clients, including the prevention of front-running. In addition, the Adviser has implemented monitoring systems designed to ensure compliance with these policies and procedures.

The Adviser, and any of its directors, partners, officers, agents or employees, also buy, sell, or trade securities for their own accounts or the proprietary accounts of the Adviser. The Adviser has discretion to make investment decisions and take other actions (including the timing or nature of such investment decisions or actions) with respect to its proprietary accounts where such decisions and actions are different from those made for client accounts. The proprietary activities, investments or portfolio strategies of the Adviser give rise to a conflict of interest with the transactions and strategies employed by the Adviser on behalf of its clients and affect the prices and availability of the investment opportunities in which the Adviser invests on behalf of its clients. For example, in certain circumstances, the Adviser can buy or sell securities for its proprietary account where the Adviser can recommend the same securities to clients. Further, the Adviser is not required to purchase or sell for any client account securities that it and any of its employees, principals, or agents may purchase or sell for their own accounts or the proprietary accounts of the Adviser. The Adviser, and its directors, officers and employees face a conflict of interest as they will have income or other incentives to favor their own accounts or the proprietary accounts of the Adviser.

Conflicts Related to the Advising of Multiple Accounts

Certain portfolio managers of the Adviser may manage multiple client accounts or investment vehicles. These portfolio managers are not required to devote all or any specific portion of their working time to the affairs of any specific clients. Conflicts of interest do arise in allocating management time, services or functions among such clients, including clients that may have the same or similar types of investment strategies. The Adviser addresses these conflicts by disclosing them to clients and through its supervision of portfolio managers and their teams. Responsibility for managing the Adviser's client portfolios is organized according to investment strategies within asset classes. Generally, client portfolios with similar strategies are managed by portfolio managers in the same portfolio management group using the same or similar objectives, approach and philosophy. Therefore, portfolio holdings, relative position sizes, industry and sector exposures generally tend to be similar across client portfolios with similar strategies. However, the Adviser faces conflicts of interest when the Adviser's portfolio managers manage accounts with similar investment objectives and strategies. For example, investment opportunities that may potentially be appropriate for certain clients may also be appropriate for other groups of clients, and as a result not all client accounts for which the investment opportunity is appropriate may participate, subject to Adviser's allocation policy requiring fair and equitable treatment of client accounts over time. There is no specific limit on the number of accounts which may be managed by the Adviser or its related persons. Once held by a client, certain investments compete with other investments held by other clients of the Adviser. Adviser has controls in place to monitor and mitigate these potential conflicts of interest. See Allocation and Aggregation below for further details on this subject.

Conflicts of Interest Created by Contemporaneous Trading

Positions taken by a certain client account may also dilute or otherwise negatively affect the values, prices or investment strategies associated with positions held by a different client account. For example, this may occur when investment decisions for one client are based on research or other information that is also used to support portfolio decisions by the Adviser for a different client following different investment strategies or by an Affiliate of the Adviser in managing its clients' accounts. When a portfolio decision or strategy is implemented for an account ahead of, or contemporaneously with, similar portfolio decisions or strategies for the Adviser's or an Affiliate's other client (whether or not the portfolio decisions emanate from the same research analysis or other information), market impact, liquidity constraints, or other factors could result in one account being disadvantaged or receiving less favorable investment results than the other account, and the costs of implementing such portfolio decisions or strategies could be increased.

In addition, it may be perceived as a conflict of interest when activity in one account closely correlates with the activity in a similar account, such as when a purchase by one account increases the value of the same securities previously purchased by

another account, or when a sale in one account lowers the sale price received in a sale by a second account.

Allocation and Other Trading Conflicts

Adviser's affiliated entities and their respective personnel can invest for their own accounts in securities that Adviser recommends to, or purchases or sells for, Adviser's clients. Adviser also can invest on behalf of its affiliated clients in securities also acquired or recommended for its other clients.

These arrangements raise the potential for conflicts of interest, particularly in areas such as allocation of investment and trading opportunities, limited investment opportunities offered solely to our affiliated accounts and personal securities transactions. As discussed above, Adviser's Code of Ethics is designed to mitigate conflicts of interest that can arise in the context of personal securities trading. Adviser also utilizes trade allocation procedures designed to ensure that the allocation of investment and trading opportunities available to clients is fair and equitable over time.

Adviser can, but need not, aggregate or "bunch" orders for accounts for which it has investment discretion in circumstances in which Adviser believes that bunching will result in a more favorable overall execution. Where appropriate, Adviser will allocate such bunched orders at the average price of the aggregated order.

In those instances where aggregated orders are not completely filled, Adviser and its affiliated Advisers will generally allocate the order among participating accounts pro rata on the basis of order size. Exceptions to this general rule include the following: private fixed income orders that are allocated pro rata based on expected target and maximum volume, rounding of lots to avoid creation of less liquid odd-lot holdings; the existence of limit orders that cannot be executed; cash flow considerations such as unexpected cash flows that affect the liquidity of an account; non-meaningful allocations when less than a specified amount of securities has been achieved; material allocations based on investment policy considerations; priority for accounts with specialized or concentrated investment policies; and securities designated as "new issues", which can only be allocated to certain types of accounts.

Adviser can manage numerous accounts with similar or identical investment objectives or can manage accounts with different objectives that can trade in the same securities. Despite such similarities, portfolio decisions will differ from client to client. Adviser will not necessarily purchase or sell the same securities at the same time or in the same proportionate amounts for all eligible clients. Further, in many instances, such as purchases of private placements or oversubscribed public offerings, it is typically not possible or feasible to allocate a transaction pro rata to all eligible clients. Therefore, not all clients will necessarily participate in the same investment opportunities or participate on the same basis. Allocation for non-marketable assets is based on participation agreements which provide equal

participation interest with respect to the investments. Clients receive a fair opportunity to meet their investment objective.

In allocating investments among various clients Adviser will use its best business judgment and will take into account such factors as the criteria set forth above in order to determine whether an exception to the general rule of pro rata allocation is warranted (including in what sequence orders for trades are placed). It is Adviser's policy to allocate investment opportunities on a basis that Adviser in good faith believes is fair and equitable to each client over time.

For certain types of investments, Sun Life will request an overall allocation with the authority to further sub allocate its overall allocation to its various portfolios managed by the Adviser. In general, sub-allocations will be determined in accordance with the allocation policies described above.

Regulatory Restrictions

The ability of Adviser or its affiliates to effect and/or recommend certain transactions may be restricted by applicable regulatory requirements in the United States and/or other countries or jurisdictions. In particular, activities of Adviser's affiliates involving financial services may impose limitations on the advice or recommendations Adviser or its affiliates may give. For example, when an affiliate of the Adviser comes into possession of material non-public information that has not been contained via an ethical wall, a restriction in trading activity may be required. In addition, pension plans subject to ERISA may be subject to additional restrictions that would preclude Adviser from entering into transaction with or through affiliates of the pension plans sponsor absent an applicable exemption. In some situations, offering or similar documents relating to an investment or potential investment made on behalf of a client account contain issuer-imposed restrictions or other limitations on certain types of investors in certain classes or tranches of the offering. For example, some structured product offerings seek to limit or restrict investments by ERISA pension plans in certain tranches of the offered securities. These provisions are often ambiguous and may not be evident in secondary market trading platforms. Adviser evaluates these offerings on a case-by-case basis.

Errors

On occasion, an error may be made in a client account. For example, a security may be erroneously purchased for the account instead of sold or the amount of the transaction may be mistaken. Alternatively, a transaction processing error might occur. In these situations, Adviser generally seeks to rectify the error by placing the client account in a similar position as it would have been in immediately after the transaction had there been no error. Adviser does not consider opportunity cost in the calculation of a gain or loss with respect to an error. Depending on the circumstances and subject to applicable legal and contractual requirements, various corrective steps may be taken, including among others canceling the trade,

correcting an allocation, netting amounts of gains and losses, and reimbursing the client account. In all instances, clients will be made whole for any losses.

ITEM 12: BROKERAGE PRACTICES

Adviser's 3 business units (i.e., AAM, IAM, and TRFI) are largely independent of each other with regard to brokerage practices. This is due to differing systems requirements, geographic locations and related time differences, all of which have a material impact on managing client assets. Research is generally shared by the 3 business units. Transactions executed in the secondary market are processed at the business unit level without seeking prior input from the other business units. In certain circumstances this may lead to inadvertent crossing of client orders (a client of one business unit sells to a client of another business unit on a non-prearranged basis). The Adviser monitors for such inadvertent cross trades. If an ERISA account is involved, the Adviser will take all necessary actions to address related obligations.

Adviser is generally retained on a discretionary basis and is authorized to determine which securities to buy or sell (including the amount thereof) within the client's specified investment objective, and to select broker-dealers to execute portfolio transactions, without consultation with the client on a transaction-by-transaction basis. Each business unit makes its own determination as to what broker it uses for a particular transaction without consideration of the brokers used by other business units. Some clients limit Adviser's discretionary authority in terms of the type or amount of securities to be bought or sold, the maximum concentration in any one company or industry, the minimum credit quality or maximum maturities for fixed income securities, the broker-dealer to be used, and/or the commission rates to be paid. Adviser can, but need not, select broker-dealers for accounts that are non-discretionary in nature.

Except where a client limits Adviser's discretion to select broker-dealers to execute trades, including through a directed brokerage arrangement (as described below), the Adviser's primary objective in the selection of broker-dealers is to seek to obtain the best combination of price and execution under the particular circumstances. Best price, giving effect to brokerage commissions, if any, and other transaction costs, is normally an important factor in this decision, but the selection also takes into account the quality of brokerage services, including such factors as execution capability, willingness to commit capital, financial stability, and clearance and settlement capability. In addition, as discussed further below, the provision of research and related services can also be considered.

While the Adviser does not maintain formal soft dollar arrangements we may receive unsolicited or "street" research from broker-dealers and, where the Adviser believes that more than one broker-dealer is capable of providing the best combination of price and execution with respect to a particular portfolio transaction, the Adviser can select a broker-dealer that furnishes useful research services. Such research can include (i) advice as to the value of securities, the advisability of investing in,

purchasing or selling securities, and the availability of securities or purchasers or sellers of securities (ii) information, analyses and reports concerning issuers, industries, securities, trading markets and methods, economic factors and trends, portfolio strategy, access to research analysts, industry experts and economists, comparative performance evaluation and technical measurement services and quotation services, and products and other services, such as third party reports and analysis, software that processes or otherwise utilizes information, including the research described above, that assist Adviser in carrying out its responsibilities.

Research services furnished by broker-dealers can be used in servicing any or all of Adviser's clients and can be used in connection with accounts other than those that pay commissions to, or effect portfolio transactions with or through, the broker-dealer providing the research. Investment advisory fees will not be reduced as a result of Adviser's receipt of research services.

Adviser's view is that the broker should receive a commission that will assure its best effort, compensate it for any research or related services provided, and at the same time result in a favorable rate for the client. Thus, transactions will not always be executed at the lowest available commission but the Adviser seeks to assure that commissions remain within a generally competitive range of what is available from full service brokers.

Transactions in fixed income securities are generally effected on a net basis with no brokerage commission paid by the client; rather the client bears a spread between the price a broker-dealer is willing to pay to purchase a security and the price the broker-dealer is willing to accept to sell a security. Subject to Adviser's primary objective of seeking to obtain best price and execution under the particular circumstances, Adviser can place fixed income securities transactions with broker-dealers that provide Adviser with proprietary research or related services.

Adviser does not make any commitments to allocate transactions among broker-dealers on a prescribed basis or to place a specified volume of transactions with any particular broker-dealer. Adviser periodically determines which brokerage research services, if any, are deemed useful in Adviser's investment advisory activities. Adviser will also periodically review the value of other services provided by its approved brokers and determine an appropriate level of execution activity related to those services.

The receipt of research services from broker-dealers raises the potential for conflicts of interest for Adviser. The availability of research services can provide an incentive for Adviser to place trades with brokers-dealers who provide such services. As noted above, Adviser's primary objective in the selection of broker-dealers is to seek to obtain the best combination of price and execution under the particular circumstances. Adviser has a Trading Practices Committee that periodically reviews Adviser's trading activity, including brokerage placement to assess whether

Adviser's trading is consistent with this primary objective. In addition, Adviser conducts a review of brokerage policies and practices at least annually.

Adviser can, but is not required in each instance to, aggregate or "bunch" orders for accounts for which it has investment discretion in circumstances in which Adviser believes that bunching will result in a more favorable overall execution. Where appropriate, Adviser will allocate such bunched orders at the average price of the aggregated order. The Adviser generally does not aggregate orders where aggregation is not appropriate or practicable from the Adviser's operational or other perspectives or if doing so would not be appropriate in light of applicable regulatory considerations. For example, time zone differences, trading instructions, cash flows, separate trading desks or portfolio management processes, among other factors, necessitate or result in separate, non-aggregated trades in the same security being placed contemporaneously for different clients.

In those instances where aggregated orders are not completely filled, Adviser and its affiliated Advisers will generally allocate the order among participating accounts pro rata on the basis of order size. Exceptions to this general rule include the following: private fixed income orders that are allocated pro rata based on expected target and maximum volume, rounding of lots to avoid creation of less liquid odd-lot holdings; the existence of limit orders that cannot be executed; cash flow considerations such as unexpected cash flows that affect the liquidity of an account; non-meaningful allocations when less than a specified amount of securities has been achieved; material allocations based on investment policy considerations; priority for accounts with specialized or concentrated investment policies; and securities designated as "new issues", which can only be allocated to certain types of accounts.

Clients can instruct Adviser to use one or more broker-dealers in managing their accounts. Clients who direct the Adviser to use a particular broker-dealer should understand that, in so doing, they waive the Adviser's duty to seek best execution and forego the possibility that the Adviser could (absent the direction) be able to obtain a more favorable net price and execution from another broker-dealer in particular transactions. Clients who direct the use of a particular broker-dealer for transactions should further understand that such direction can prevent Adviser from effectively negotiating brokerage commissions on their behalf and from aggregating orders with other clients. Thus, those clients that direct brokerage business could lose possible advantages that would potentially be available to clients who do not direct brokerage, such as volume discounts. Further, in instances in which Adviser is bunching a trade for clients who do not direct brokerage, Adviser will normally complete such non-directed discretionary transactions before effecting transactions for the directed brokerage clients. Thus, those clients who direct brokerage do not always obtain prices for their transactions as favorable as those obtained for other clients. Those clients that direct brokerage business should also consider whether the commission expenses, execution, clearance, and settlement capabilities of the brokers to which their brokerage business is directed are comparable to those that Adviser could otherwise attain for them. Similarly, these clients can also receive

less favorable execution when they direct the use of broker-dealers that are not participating or eligible to participate in a portion of a "new issue" or other opportunity that is allocated to Adviser.

Institutional Wrap Account Trading

Adviser does not trade wrap accounts with their wrap sponsors or their designated wrap specific trading desks. The ability to trade with each program's specific wrap account trading desks does exist and is at our disposal. However, Adviser believes it can achieve better execution when blocking trades for wrap clients together with trades for its other clients and executing such trades on an aggregated basis (as described above). In the event that SLC believes that a wrap sponsor has the best execution available, Adviser will ask other brokers to match that level, thereby seeking to obtain best execution for its clients. This does not preclude Adviser from doing business with brokers that have wrap accounts at Adviser. Rather, our policy states that wrap sponsored accounts will not trade with their specific wrap sponsor via the corresponding wrap-specific trading desk.

We manage foreign currency (FX) transactions through our approved counterparties or our clients' custodians. We will execute FX transactions through a client's custodian when directed by a client or when local market rules or settlement practices indicate this to be a more efficient method for settling our trade orders. We will seek to aggregate FX transactions when doing so would be in the clients' best interests and where permitted by applicable regulation. When we execute through custodians at the direction of our clients, our execution is generally subject to the limitations and considerations described above.

Aggregation/Allocation of Futures

We may seek to enter a single futures order for multiple client accounts that have appetite for the same instrument. This is commonly referred to as a "bunched order." Bunched orders may result in "split fills" (an execution of a bunched order at more than one price) or "partial fills" (an execution of a bunched order at less than specified quantities). We allocate bunched orders and any resulting split and/or partial fills in a non-preferential, predetermined and objective manner that is designed to seek to be fair and equitable and ensure that no account or group of accounts receives consistently favorable or unfavorable treatment.

Master Trading Agreements for Derivatives

1. General

Certain investment strategies that we manage utilize derivatives, such as swaps, futures, forwards and other forward settling transactions. These types of

transactions typically require the negotiation of an agreement with one or more counterparties (for example, ISDAs, customer agreements with futures commission merchants, clearing agreements and master securities forward transaction agreements) (collectively, “Master Agreements”). Certain non-derivative securities, such as to-be-announced transactions, including adjustable rate mortgage transactions and transactions in collateralized mortgage obligations, also use Master Agreements. These agreements may be executed by our clients or, with client authorization, by us on a client’s behalf.

2. Execution of Derivatives Agreements on Behalf of Clients

When a client authorizes us to execute Master Agreements on its behalf, we are acting solely as agent on behalf of the client. This means that the client is the named party to the agreement and a party to the underlying transactions. Accordingly, such clients are responsible for any obligations incurred under the agreements. We also may adhere to ISDA protocols on behalf of such clients, which effectively amend ISDAs that are already in place. Master Agreements require each party to make certain representations and warranties. We do not have the information necessary to confirm the accuracy of many of these representations and warranties on behalf of our clients, and therefore it is important for clients to review these agreements and other materials that we provide in order to understand the applicable terms and to confirm the accuracy of any representations and warranties. Inaccurate or incomplete information in a Master Agreement can result in an event of default and allow the counterparty to terminate the agreement and take other adverse actions. Clients should also note that Master Agreements often contain indemnification provisions and, for sovereign or government clients, require the waiver of sovereign immunity.

Cross Trades

In some instances a security to be sold by one client account can independently be considered appropriate for purchase by another client account. In such cases Adviser can cause the security to be “crossed” or transferred directly between the relevant accounts at an independently determined market price and generally without incurring brokerage commissions. Customary custodian fees and transfer fees can be incurred. Adviser will not, directly or indirectly, receive any compensation for such transactions. No cross transaction will be effected unless Adviser determines it is in the best interest of each account, and it is performed in accordance with Advisers’ Cross Trades Policy. For regulatory reasons, certain clients may be unable to, or restricted from, engaging in a cross trade. For example, no cross transaction will be effected involving any client whose account is governed by ERISA except in accordance with applicable regulations.

ITEM 13: REVIEW OF ACCOUNTS

Periodic Review of Client Accounts

Adviser monitors accounts daily. Adviser's investment professionals, within their respective business units, work in teams, each of which is dedicated to a specific asset class such as derivatives or public bonds. Adviser's portfolio managers are responsible for making day-to-day management decisions for their accounts in accordance with applicable investment objectives and guidelines, and for ongoing evaluation of their accounts against those parameters. The portfolio managers routinely discuss market developments, investment ideas and strategy with other investment professionals of Adviser who have appropriate knowledge of the accounts and their investment strategies. Adviser's investment teams review account performance and strategy more formally, generally on a monthly or quarterly basis, with the content of the reviews depending on the nature of the account and any needs that have been specified by the client. Adviser has a Trade Error policy in place pertaining to the correction of trade errors. In the event that a trade error occurs, it is identified and corrected as soon as possible. Client accounts will be made whole for any losses.

Additional Ongoing Reviews of Client Accounts

Adviser's Compliance Department working with the investment staff, monitors client accounts in several different ways. The compliance team uses automated testing, manual reviews, attestations, and forensic testing. Adviser uses an electronic trade order management system, including an automated compliance module, to monitor compliance with portfolio guidelines on both pre- and post-trade basis.

Further, Adviser collaborates with the International Investment Committee, ("IIC"), which is responsible for oversight of the subadvisers that provide investment advisory services to Adviser's clients. Adviser's oversight program for subadvised portfolios includes compliance reports, compliance certifications, and periodic due diligence visits to the subadvisers.

Reports to Clients

Clients generally receive at least quarterly written portfolio reports, which are discussed with clients on request. The portfolio reports include account summaries and other pertinent information related to the account.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

We do not have any client referral arrangements in place at this time. However, from time to time we may enter into solicitation agreements with certain of our other affiliated investment advisers to refer clients to each other in which case we may pay or receive compensation in compliance with related SEC requirements.

As noted above, an affiliate of the Adviser acts as placement agent for private funds that we advise and, in that role, receives compensation for placing fund interests with investors.

ITEM 15: CUSTODY

In certain instances, Adviser is deemed to have custody of client assets pursuant to Rule 206(4)-2 under the Advisers Act (the "Custody Rule"). This may include, but is not limited to, instances in which: Adviser or an affiliate is acting as the administrative or servicing agent to a loan; Adviser or an affiliate is acting as the general partner, managing partner or other similar role for a pooled vehicle; or where Adviser may deduct management fees directly from a client account.

Where Adviser is deemed to have custody of client assets, and except as permitted by the Advisers Act, such cash and securities are maintained in accounts established with qualified custodians, as defined in the Custody Rule (each, a "Qualified Custodian") and the account's qualified custodians will send quarterly or more frequent account statements directly to Adviser's clients indicating the amount of funds and each security in their account at the end of the relevant period as well as any transactions in the account during that period. Clients should carefully review such statements and compare them to any account statements they receive from Adviser. If any discrepancies are found, clients should contact Adviser and their custodian as soon as possible. Adviser's statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

There are instances where Adviser or an affiliate serves as the administrative or servicing agent (in such role, the "Agent") for one or more loans in which a client invests. Funds related to such loans and attributable to such Clients ("Client Funds" related to "Client Loans") are held in accounts established by the Agent for that purpose (the "Agent Accounts"). Each Agent Account is held with a Qualified Custodian in the name of the Agent for the benefit of the lender (the client). The Agent Account holds only cash and not loans. In its role as administrative agent, the Agent performs a variety of traditional services pursuant to credit agreements in accordance with negotiated guidelines regarding the movement of cash into and out of the Agent Accounts for such purposes as collecting and distributing loan proceeds or payments. As administrative agent, the Agent must apply the terms of the credit agreement in dealing with funds in the Agent Accounts and has no discretion to determine how such funds should be used, allocated or disbursed; however, other than the terms of the credit agreements, nothing prevents an administrative agent from withdrawing cash from the Agent Accounts for unrelated purposes. Therefore, Adviser considers itself to have custody over the Client Funds in the Agent Accounts for purposes of the Custody Rule.

We are deemed to have custody of the assets of certain of our funds by virtue of our role as general partner or Manager of the fund or the account being custodied with an affiliate. We provide investors in our funds with audited financial statements within

120 days from the end of each fiscal year (within 90 days from the end of each fiscal year for funds that are commodity pools). Investors should carefully review those statements.

Additionally, we are required to engage an independent public accounting firm to conduct an annual surprise verification of those client accounts over which we are deemed to have custody (other than those of the private funds for which audited financial statements are provided to investors), including the Agent Accounts.

ITEM 16: INVESTMENT DISCRETION

For certain clients, we have investment discretion to manage securities on behalf of client accounts. Clients may impose restrictions on this discretion by, among other things, prohibiting the purchase of specific securities, or prohibiting the purchase of securities within a specific industry. Clients may also restrict the use of certain broker-dealers to execute trades, or may restrict the amount of securities that can be bought or sold within the account. We may also accept client accounts on a non-discretionary basis.

Client-imposed restrictions are detailed in the client's investment advisory agreement. Prior to on-boarding a new client account, we obtain all necessary information to ensure that the account, including any relevant restrictions, is properly established on our trading and accounting systems.

ITEM 17: VOTING CLIENT SECURITIES

In accordance with Rule 206(4)-6 under the Advisers Act, Adviser has adopted Proxy Voting Policies and Procedures (the "Proxy Voting Policies") that are reasonably designed to ensure that proxies are voted in the best interests of its clients. In voting proxies on behalf of clients, Adviser will cast votes consistent with its fiduciary duty. The Proxy Voting Policies are designed to identify actual or potential conflicts of interest that exist or could arise between Adviser and its clients. If a conflict of interest or potential conflict of interest is determined to be material, one or more methods can be used to resolve the conflict, as specified in the Proxy Voting Policies. If it is determined that an actual or potential conflict is not material, Adviser can vote notwithstanding the conflict.

Adviser takes responsibility for voting proxies for each client that has provided Adviser with express written authorization to do so, or where such express authority is provided by the advisory agreement. Where the advisory agreement is silent and where the client has not provided Adviser with express proxy voting authority, Adviser does not accept responsibility for voting proxies. A client that has authorized Adviser to vote proxies can also direct Adviser to vote in a manner different from the Guidelines (defined below) from time to time. All proxies received by Adviser will be voted based upon Adviser's instructions and/or policies. To assist in analyzing proxies, Adviser subscribes to an unaffiliated third party corporate governance

research service that provides in-depth analyses of shareholder meeting agendas, vote recommendations, record keeping and vote disclosure services.

As a general matter, Adviser will vote in accordance with the Proxy Voting Guidelines (the “Guidelines”) incorporated into the Proxy Voting Policies. Adviser is not obligated to follow the Guidelines in every case, however, and a proxy proposal may receive further review, including a review for potential conflicts of interest, in circumstances where: a) the Guidelines call for case-by-case analysis; b) the Guidelines do not address the specific type of proxy proposal; or c) Adviser’s investment personnel wish to vote differently than the relevant Guidelines. Adviser takes responsibility for identifying material proxy-related conflicts between the interests of Adviser and its clients, and for resolving such conflicts in the best interests of the client.

Adviser may be unable to vote or may determine not to vote a proxy in certain situations, such as if, in Adviser’s good faith determination, the costs involved in voting the proxy outweigh the benefits to the client of voting.

Upon request, Adviser will provide each client with a copy of the Proxy Voting Policies or with information about how Adviser voted proxies for securities held in the client’s account. Please direct requests to Adviser using the contact information that appears on the cover page of this Brochure.

Proxies for subadvised portfolios with affiliated advisers will be voted in accordance with the policies and procedures of the subadviser.

ITEM 18: FINANCIAL INFORMATION

Not Applicable