



**Atlanta Capital Management Company, LLC**  
**1075 Peachtree Street NE, Suite 2100**  
**Atlanta, Georgia 30309**

**Telephone: (404) 876-9411**  
**Facsimile: (404) 872-1672**  
**[www.atlcap.com](http://www.atlcap.com)**

## **Form ADV Part 2A**

**January 29, 2021**

This brochure provides information about the qualifications and business practices of Atlanta Capital Management Company, LLC ("Atlanta Capital"). If you have any questions about the contents of this brochure, please contact Atlanta Capital at 404-876-9411.

Atlanta Capital is a registered investment adviser under the Investment Advisers Act of 1940 (the "Advisers Act"). 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.

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

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

The following material changes have been made to this brochure since its last annual update on January 30, 2020:

Item 4. Atlanta Capital is now a wholly-owned subsidiary of Eaton Vance Acquisitions, a wholly owned subsidiary of Eaton Vance Corp. (EVC). On October 8, 2020, it was announced that EVC had entered into a definitive merger agreement with Morgan Stanley (the “Morgan Stanley Acquisition”). Under the terms of the agreement, Morgan Stanley will acquire EVC and its subsidiaries, including Atlanta Capital. The acquisition is subject to customary closing conditions, and is expected to close no later than early in the second quarter of 2021. At such time, it is anticipated Atlanta Capital will become a wholly-owned subsidiary of Morgan Stanley. Item 4 was additionally updated with enhanced language regarding services Atlanta Capital provides to wrap fee programs.

Item 5. Disclosures have been added to describe Atlanta Capital’s process for calculating client assets for fee calculation and associated conflicts, Atlanta Capital’s ability to change standard fee schedules, and regarding clients and Atlanta Capital terminating management agreements.

Item 6. Conflicts related to side-by-side management of client accounts have been added.

Item 8. Disclosures have been added regarding Allocation and Position Limits, Business Continuity, European Economic and Market Events, and LIBOR risks. The Market Risk disclosure has been enhanced.

Item 10. Disclosures relating to services Atlanta Capital provides to, and receives from affiliates including Parametric Portfolio Associates LLC, and Eaton Vance WaterOak Advisors have been updated.

Item 11. Additional conflicts of interest resulting from the Morgan Stanley Acquisition have been added. Conflicts include business activities and investment decisions of affiliates affecting holdings in Atlanta Capital client accounts. In addition, Morgan Stanley investment banking activities may generate conflicts with, or cause Atlanta Capital to restrict transactions in, certain securities held in Atlanta Capital client accounts.

Item 12. Disclosures relating to transactions with affiliated broker-dealer subsidiaries of Morgan Stanley upon completion of the Morgan Stanley Acquisition have been added. Disclosures regarding Atlanta Capital trading practices on alternative trading systems, auto-execution of certain trades, non-pro rata trade allocation, and cross trades have been added.

Item 15. Upon the completion of the Morgan Stanley Acquisition, Atlanta Capital will be deemed to have ‘custody’ of client assets for which Morgan Stanley Smith Barney acts as qualified custodian.

### **Item 3 - Table of Contents**

|   |    |
|---|----|
| Item 2 - Summary of Material Changes.....   | 2  |
| Item 3 - Table of Contents.....   | 3  |
| Item 4 - Advisory Business.....   | 4  |
| Item 5 - Fees and Compensation.....   | 6  |
| Item 6 - Performance-Based Fees and Side-By-Side Management.....                              | 10 |
| Item 7 - Types of Clients.....  | 12 |
| Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss.....                     | 13 |
| Item 9 - Disciplinary Information.....  | 25 |
| Item 10 - Other Financial Industry Activities and Affiliations.....                           | 26 |
| Item 11 - Code of Ethics, participation or Interest in Client Transactions & Personal Trading | 29 |
| Item 12 - Brokerage Practices.....  | 34 |
| Item 13 - Review of Accounts.....   | 43 |
| Item 14 - Client Referrals and Other Compensation.....  | 44 |
| Item 15 - Custody.....  | 45 |
| Item 16 - Investment Discretion.....  | 46 |
| Item 17 - Voting Client Securities.....   | 47 |
| Item 18 - Financial Information.....  | 49 |
| Item 19 - Requirements for State-Registered Advisers.....                                     | 50 |
| Privacy Notice.....   | 51 |

#### **Item 4 - Advisory Business**

Atlanta Capital Management Company, LLC (“Atlanta Capital”) is an Atlanta, Georgia based Registered Investment Advisor offering professional investment advisory services to a broad range of institutional and retail clients since 1969. As of October 31, 2020, Atlanta Capital manages \$25.3 billion in client assets on a discretionary basis.

Atlanta Capital is a wholly owned subsidiary of Eaton Vance Acquisitions (“EVA”), a wholly owned subsidiary of Eaton Vance Corp. (“Eaton Vance” or “EVC”), a publically held company that is traded on the New York Stock Exchange (NYSE) under the ticker symbol EV.

Atlanta Capital offers investment advisory services in a variety of equity, fixed income and mixed-asset strategies. In-depth fundamental analysis is the primary basis for Atlanta Capital’s investment decision making process.

On October 8, 2020, it was announced that EVC had entered into a definitive merger agreement with Morgan Stanley. Under the terms of the agreement, Morgan Stanley will acquire EVC and its subsidiaries, including Atlanta Capital. The acquisition is subject to customary closing conditions, and is expected to close no later than early in the second quarter of 2021. At such time, it is anticipated Atlanta Capital will become a wholly-owned subsidiary of Morgan Stanley.

We provide investment advisory services through separately managed accounts to a variety of institutional clients (“Institutional Accounts”), including business organizations, public and private pensions, trusts, foundations, charitable organizations, high net worth individuals and other entities. Atlanta Capital’s advisory services are tailored based on the investment objectives and guidelines provided by our clients. Before establishing an Institutional Account, Atlanta Capital and the client discuss the available investment strategies and the client’s investment objectives. Investment in certain securities or types of securities may be restricted at the request of the client.

Atlanta Capital provides investment management services to wrap fee programs sponsored by broker-dealers, banks, or other investment advisers. Atlanta Capital is not a sponsor of any wrap fee programs. Wrap programs vary by sponsor, and Atlanta Capital may act in a discretionary or non-discretionary capacity. Under a single contract wrap program, Atlanta Capital enters into an investment management agreement directly with the wrap program sponsor, while under a dual contract wrap program, Atlanta Capital enters into an investment management agreement with underlying plan participants and wrap program sponsor. For discretionary wrap programs, Atlanta Capital has the authority to enter into transactions on behalf of wrap program participants, subject to any investment or trading restrictions provided by the wrap program sponsor or wrap program participants. See Item 12 - Brokerage Practices below for additional information about trade execution under a wrap program.

Atlanta Capital provides non-discretionary investment advice through model portfolio delivery programs. Under such arrangements, Atlanta Capital provides third parties with a model portfolio. The third party retains discretion to implement, reject, or adjust such model and the third party is responsible for executing any corresponding transactions on behalf of the third party's underlying clients. Atlanta Capital does not affect or execute transactions for any underlying clients of the third party participating in the model delivery program and Atlanta Capital does not consider such underlying clients of the third party to be clients of Atlanta Capital.

Atlanta Capital also serves as investment sub-advisor to a number of registered investment companies or mutual funds sponsored by Eaton Vance and other Eaton Vance affiliated entities including Calvert Research and Management ("Funds"). Each Fund is managed in accordance with its respective investment objectives, strategies and restrictions as approved by the Fund's Board of Trustees or other governing body, as applicable. Retail investors primarily access Atlanta Capital's advisory services indirectly by investing in Funds sub-advised by Atlanta Capital.

## Item 5 - Fees and Compensation

Atlanta Capital generally receives a fee from separately-managed accounts based upon a percentage of the assets under management, calculated according to a schedule agreed upon in writing between Atlanta Capital and the client and included in the client's investment advisory agreement. All fees charged by Atlanta Capital are documented in writing in the client's investment management agreement with Atlanta Capital, as such agreement may be amended from time to time. All advisory fee schedules are negotiable and vary by investment strategy, product type, account size, customization requirements and required service levels.

Management fees are generally invoiced quarterly in arrears, based upon the calendar quarter-end market value. Atlanta Capital will consider other methods of payment and/or fee calculation at the client's request, including billing in advance. If an advance billed client account is terminated during the service period, fees paid in advance are refunded promptly, without further request by the client on a pro-rata basis (determined based upon the number of days the account is managed by Atlanta Capital).

Clients may choose to pay fee invoices from the assets of the accounts managed by Atlanta Capital or from another source including billing directly to the custodian. Clients will also incur additional expenses related to the management of their accounts, such as qualified custodian fees, fees and expenses deducted from the assets of any funds in which the clients invest or brokerage charges and transaction costs incurred in connection with portfolio transactions. In most cases, these additional expenses are paid to unaffiliated third parties and are not retained by Atlanta Capital or any of its affiliates. To the extent client assets are invested funds such as an ETF which charge management fees, Atlanta Capital clients will generally bear any such fees. For more information about Atlanta Capital's brokerage practices see the *Item 12 - Brokerage Practices* section below in this brochure.

The investment advisory services provided by Atlanta Capital to Funds and the fee schedules for such services generally are described in each Fund's current disclosure documents filed with the Securities and Exchange Commission. Below are the standard fee schedules for Institutional Separate Account clients of Atlanta Capital. Existing clients may have different fee arrangements from those stated below.

### Institutional Separate Account Fee Schedules and Account Minimums

#### High Quality Growth Plus, Focused Growth

First \$10 million 0.70%

Next \$90 million 0.50%

Next \$150 million 0.40%

Next \$250 million 0.35%

Minimum Separate Account Initial Balance is Generally \$10 million

High Quality Small Cap, High Quality SMID Cap

First \$50 million 0.80%

Next \$50 million 0.70%

Next \$150 million 0.60%

Minimum Separate Account Initial Balance is Generally \$10 million

High Quality Calvert Equity (Formerly High Quality Socially Responsible)

First \$10 million 0.80%

Next \$90 million 0.60%

Over \$100 million Negotiable

Minimum Separate Account Initial Balance is Generally \$10 million

High Quality Select Equity

First \$50 million 0.60%

Next \$100 million 0.50%

Next \$350 million 0.40%

Minimum Separate Account Initial Balance is Generally \$10 million

High Quality Fixed Income (Short Duration, Intermediate & Premier)

First \$30 million 0.35%

Over \$30 million 0.30%

Minimum Separate Account Initial Balance is generally \$20 million

Exceptions to the account minimums above may be accepted and may be subject to a minimum annual fee. Special requirements or circumstances may result in different fee arrangements than those stated above for certain clients. For examples, additional reporting, investment policy or risk management consulting, legal research, or additional investment administrative services required or requested by some Separate Account clients may lead to higher fees. Similarly, wrap fee clients may pay higher or lower fees depending on the level of services provided under their wrap program. Individual fee arrangements are negotiated with each client separately (including board review and approval, if applicable). Subject to applicable laws and regulations, Atlanta Capital retains complete discretion over the fees that it charges to clients and may change the foregoing fee schedules at any time.

Unless otherwise provided in an investment advisory contract, Atlanta Capital is frequently responsible for calculating the fees owed by a client. Atlanta Capital will calculate the billable assets for which Atlanta Capital has investment discretion according to its internal accounting system. Atlanta Capital frequently utilizes unaffiliated third party pricing vendors to value securities held by clients. However, from time to time, Atlanta Capital may fair value a security, such as situations where current market prices are not available, or when Atlanta Capital elects to override a price provided by a third party vendor. Atlanta Capital factors in pending portfolio transactions when calculating an account's value. Due to fair valued securities and pending portfolio activities, a client account's value calculated by Atlanta Capital may not match the

account's value reported by the client's custodian. When this occurs over a billing period end, and Atlanta Capital is responsible for calculating account value, Atlanta Capital will calculate fees based on the value reflected in its accounting systems, which may differ from the value reported by the client's custodian. A conflict of interest exists when Atlanta Capital calculates fees based on securities it has set a fair value for, as Atlanta Capital is incentivized to apply a higher valuation. Atlanta Capital has adopted valuation policies and procedures which are designed to value securities fairly, mitigating this conflict of interest.

Fees may be negotiated or modified in light of a client's special circumstances, asset levels, service requirements or other factors in Atlanta Capital's sole discretion. Atlanta Capital may agree to offer certain clients a fee schedule that is lower than that of comparable clients in the same investment style. Atlanta Capital reserves the right to change its standard fee schedules and is not required to change the fee schedules of existing clients to match such updated fee schedules, even if such updated fee schedules would be more advantageous to existing clients. Atlanta Capital may also choose to waive all or a portion of negotiated fees for a given period. Also, for fee calculation purposes, Atlanta Capital may agree to aggregate the assets of related client accounts and such accounts may receive the benefit of a lower effective fee rate due to such aggregation.

Atlanta Capital generally negotiates the fees paid to us in wrap fee and sub-advised relationships directly with the sponsors of such programs, and not with individual participants. Some custody relationships require a minimum account size or annual fee. Wrap fee and sub-advisory program clients receive a brochure from the introducing sponsor detailing all aspects of the wrap fee or sub-advisory program before selecting Atlanta Capital as the sub-adviser. Fees and features of each program offered by the various introducing sponsors vary. Wrap fee or sub-advisory program clients should consult the introducing sponsor's brochure for the specific fees and features applicable to their program. For wrap or sub-advised accounts, participants generally pay the sponsor a single fee and Atlanta Capital is paid its negotiated fee rate by the introducing sponsor for advisory services, while the introducing sponsor retains the remainder of the fee for trade execution, custody, and additional services.

Clients or Atlanta Capital may terminate a contract for any reason. Normally, clients may cancel Atlanta Capital's services upon such specified period provided for in the investment management agreement between the client and Atlanta Capital (e.g., 30 days). Atlanta Capital reserves the right to waive any applicable notice period or agree to different notice periods. During the period specified, Atlanta Capital's normal management fees are earned and payable (unless waived pursuant to the preceding sentence). Atlanta Capital may terminate a contract by giving the specified written notice to the client. Accounts opened or closed during a billing period are charged a prorated fee. If a client has paid any advisory fees in advance for the period in which the investment advisory agreement is terminated, Atlanta Capital will pro rate the advisory fees for the period and return any unearned portion to the client by check or wire transfer.



As outlined in Item 8, Atlanta Capital offers a broad array of investment strategies across different asset classes. Many of these strategies are offered in multiple types of investment vehicles (*e.g.* separately managed account, wrap fee account, registered fund). The amount of compensation or commission earned by the sales personnel of Atlanta Capital and its affiliates varies across both investment strategy and investment vehicle. This could create a conflict of interest by incentivizing the sale of one strategy or investment vehicle over another. Atlanta Capital believes this potential conflict is largely mitigated through supervisory review and by the fact that Atlanta Capital strategies are offered to or through sophisticated institutional investors and financial intermediaries.

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

### **Performance Based Fees**

Atlanta Capital from time to time enters into performance-based fees arrangements where return expectations and the time period over which returns are measured are reasonable and agreeable to both parties. All incentive fee arrangements offered by ACM are in compliance with Rule 205-3 under the Investment Advisers Act of 1940. The amount of a performance based fee can vary depending on the performance of the applicable account relative to a particular benchmark return.

Performance based fees have the potential to generate significant advisory fees for Atlanta Capital and may create an incentive for Atlanta Capital to take additional risks in the management of the account portfolio. Atlanta Capital often manages multiple accounts with similar investment strategies. If some of these accounts charge performance based fees, this creates a conflict of interest with respect to the management of these accounts. For example, a portfolio manager may have an incentive to allocate attractive or limited investment to the accounts that charge performance based fees. A portfolio manager and or trader may have an incentive to favor the performance based fee accounts with respect to trade timing and/or execution price. In addition, a portfolio manager may have an incentive to engage in front running so that the trading activity of other accounts benefits the performance fee based account.

### **Side-by-Side Management**

Atlanta Capital provides investment advisory services within the same strategies through various investment vehicles, such as separately managed accounts or Funds. This gives rise to potential conflicts of interest since Atlanta Capital has an incentive to favor certain accounts over others. Examples of conflicts include:

- Allocating favored investment opportunities to larger accounts or relationships which pay more fees in the aggregate than smaller accounts or relationships.
- Allocating favored investment opportunities to accounts with performance-based fees or higher fee schedules than other accounts.
- A portfolio manager allocating more time and attention to accounts with higher fee rates or larger aggregate fee amounts.
- Allocating investment opportunities to accounts or funds where an employee, Atlanta Capital, or an affiliate has a proprietary interest.
- Executing trades executed for an account or client that may adversely impact the value of securities held by a different account or client.

- If there is limited availability of an investment opportunity, Atlanta Capital may not be able to allocate such opportunity to all eligible accounts or Funds which could have otherwise participated in the investment opportunity
- Trading and securities selected for a particular account or Fund may affect the performance of other accounts or Funds that have similar strategies.

To address these and other conflicts of interest, Atlanta Capital has adopted various policies and procedures designed to ensure that all client accounts are treated equitably and that no account receives favorable treatment. For example, Atlanta Capital has adopted procedures governing the allocation of securities transactions among clients and the aggregation of trades by multiple clients. Additionally, procedures have been adopted to monitor performance dispersion across like managed accounts including accounts with performance-based fee arrangements as compared to similarly managed non-performance-fee based accounts. For more information about how Atlanta Capital addresses certain conflicts of interest, see *Item 11 - Code of Ethics*,. See also *Item 12 - Brokerage Practices* below for more information about conflicts of interest related to portfolio transactions.

## **Item 7 - Types of Clients**

Atlanta Capital provides investment management services to a wide range of institutional and individual clients including high net worth individuals, corporate pension and profit sharing plans, banking and or thrift institutions, insurance companies, hospitals, Taft-Hartley funds, charitable institutions, foundations, endowments, professional and religious organizations, state or municipal government entities, registered mutual funds, private investment funds, trust programs and other U.S. and international institutions. In addition, Atlanta Capital provides investment advice to individual retail investors through wrap fee accounts sponsored by unaffiliated investment advisors, banks and broker-dealers.

Atlanta Capital generally has a minimum account size of \$10 million for opening a direct account as discussed in more detail in the *Item 5 - Fees and Compensation* section above of this brochure. Certain investment strategies require a substantially higher minimum account size while other investment strategies may be available to smaller accounts. The minimum account size for wrap fee accounts is generally lower and is determined by the agreement between Atlanta Capital and the wrap program sponsor.

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

### **Methods of Analysis**

Atlanta Capital invests principally in traditional equity (common stocks and equivalents) and debt securities. Atlanta Capital's evaluation of investment alternatives places primary emphasis and reliance upon fundamental analysis of issuers of equity and debt securities; political, economic, and industry developments; money and capital market conditions, with attention to interest rate patterns; and any other factors that, in Atlanta Capital's judgment, may have an impact on the value of an investment.

In developing information for use in making investment decisions and recommendations for clients, Atlanta Capital places considerable importance on personal visits with company management by members of its portfolio management teams and research staff. Atlanta Capital also uses various standard databases available to institutional investors. Atlanta Capital may utilize other sources of information, such as on-line services and financial database services. Ultimately, primary attention and reliance is placed upon evaluations and recommendations generated internally by the Atlanta Capital investment staff.

Subject to and consistent with the individual investment objectives of clients, Atlanta Capital seeks to achieve above-average long-term risk adjusted returns through emphasis on high quality equity or debt instruments judged by Atlanta Capital to have unrecognized value or investment potential. For equities, high quality is generally measured by a company's demonstrated history of consistent growth and stability in earnings. For debt instruments, high quality typically relates to the probability of repayment (credit risk) and the predictability of when principal repayment will occur (stability of cash flow).

Although Atlanta Capital considers ratings issued by rating agencies, it also may perform its own credit and investment analysis and may not rely primarily on the ratings assigned by the rating services. Credit ratings are based largely on the issuer's historical financial condition and the rating agency's investment analysis at the time of rating, and the rating assigned to any particular security is not necessarily a reflection of the issuer's current financial condition. The rating assigned to a security by a rating agency does not reflect assessment of the volatility of the security's market value or of the liquidity of an investment in the security.

Atlanta Capital does not generally engage in short-term trading for accounts, although the length of time a security has been held in a client's account will not be a limiting factor if Atlanta Capital determines that the holding should no longer be retained by the account.

### **Investment Strategies**

Atlanta Capital operates with three distinct investment teams, Growth Equity, Core Equity and Fixed Income, each leveraging a central investment philosophy.

Atlanta Capital recognizes that no single type of investment strategy will ensure rewarding investment results in every political, economic and market environment. Investing in securities

and other financial instruments involves a risk of loss (which may be substantial) that clients should be prepared to bear. The investment approaches and material risks described below for each investment strategy are not comprehensive. A particular investment strategy may involve additional investment selection criteria and be subject to additional risks not described below. The principal investment strategies and associated risks for the sub-advised Funds are described in the prospectus and SAI for each Fund. The investment strategies and associated risks for wrap fee accounts are described in the offering materials provided by the wrap program sponsor. Institutional account clients should contact their Atlanta Capital account representative for additional information about the specific investment strategies they have selected and the risks associated with those strategies.

The investment strategies offered by each investment team are summarized below.

#### Growth Equity

Atlanta Capital's Growth team believes that companies with a demonstrated history of consistent growth and stability in earnings provide superior returns with less risk over the long term. The investment process seeks to outperform over the long term by participating in rising markets and minimizing participation in declining markets. Research is bottom-up, emphasizing business fundamentals. Strategies include:

*High Quality Growth Plus* – A conservative large cap growth discipline that invests in companies with a demonstrated history of consistent growth and stability in earnings whose equities are priced below our estimate of intrinsic value.

*High Quality Focused Growth* – A focused large cap growth portfolio where our best ideas have a meaningful impact on performance. The investment team seeks to identify growth businesses with dominant franchises that provide competitive advantages.

*High Quality Calvert Equity*– A sustainable and responsible investment approach managed with a fundamental, bottom up process, seeking to identify high quality growth businesses that operate in a manner consistent with the Principles for Responsible Investment of Calvert Research and Management, a global leader in responsible investing and affiliated subsidiary of Eaton Vance.

#### Core Equity

Atlanta Capital's Core team is focused on producing an above-average compound rate of return while also protecting capital in down markets. The investment process seeks to own high quality businesses that dominate a niche, maintain high barriers to entry, and have consistent demand across an economic cycle. With this dedication to quality, this process looks at stocks as if we were a potential acquirer of the entire business. Strategies include:

*High Quality Small Cap* – A fundamental core strategy that invests primarily in small cap companies with a market capitalization generally within the Russell 2000™ index.

*High Quality SMID Cap* – A fundamental core approach that invests in small-to-mid cap companies or “SMID Cap” companies with a market capitalization generally within the Russell 2500™ index.

*High Quality Select Equity* – A focused portfolio of mid-to-large cap companies that meet the investment team’s three investment criteria of high quality, attractive valuation and downside protection with a market capitalization generally of \$3 billion and above. This strategy has the flexibility to capitalize on the best potential risk-reward opportunities regardless of a company’s size or sector classification.

#### Fixed Income

Atlanta Capital’s fixed income team focuses on securities with high credit quality and stable cash flow. The investment process emphasizes government issued mortgage-backed securities (MBS), including collateralized mortgage obligations (CMOs), and ‘AAA’ asset-backed securities (ABS). Atlanta Capital believes that these securities can deliver attractive yields while limiting credit and event risk. Our fixed income team seeks to add value from security selection, sector allocation and yield curve positioning. Strategies include:

*High Quality Premier* – This strategy takes a risk-controlled approach that seeks to add value through security selection and yield curve management. We favor traditional low-volatility mortgage and asset-backed securities because of their historical substantial yield premium versus Treasury and agency notes. Credit quality is limited to “A” or better.

*High Quality Intermediate* – An intermediate domestic fixed income strategy that takes a risk-controlled approach and seeks to add value through security selection and yield curve management. We favor traditional low-volatility mortgage and asset-backed securities because of their historical substantial yield premium versus Treasury and agency notes. Credit quality is limited to “A” or better. Securities are primarily acquired with maturities from 1 to 10 years.

*High Quality Short Duration* – Short duration domestic fixed income strategies which are structured to serve as a short-term, defensive alternative to money market or cash instruments. The investment process emphasizes fixed rate mortgage and asset-backed securities. Portfolios are 100% invested in securities that are ‘AAA’ rated mortgage-backed and asset-backed security sectors or government issued. Separate strategies with a maturity range of 0 to 2 years, 1 to 3 years, 1 to 5 years and Floating Rate or Securitized Only are available.

*Mixed-Asset Strategies* – Mixed-asset strategies typically have broad discretion to invest in many of the equity or income strategies described above. A mixed-asset strategy may change its allocation between equity and debt securities, or among particular equity or income approaches, depending on the economic and market conditions.

The Equity investment strategies outlined above involve a number of material risks, including one or more of the following: Active Management Risk; Concentration Risk; Counterparty Risk; Cyber Security Risk; Data Source Risk; Equity Risk; ETF Risk; General Investing Risk;

Government, Political & Regulatory Risk; Growth Risk; Income Risk; Issuer Diversification Risk; Liquidity Risk; Market Risk; Pooled Investment Vehicle Risk; Responsible Investing and ESG Risk; Securities Lending Risk;; Smaller Company Risk; and Tax Risk. Not all of these risks apply to each equity strategy. The specific risks associated with a particular equity strategy depend on the approaches used and the extent to which the strategy employs certain portfolio management techniques or invests in financial instruments other than equity securities. For a summary of each risk, see *Summary of Material Risks* below.

Fixed Income investment strategies involve a number of material risks, including one or more of the following: Active Management Risk; Call Risk; Commercial Mortgage-Backed Securities Risk; Concentration Risk; Corporate Debt Risk; Counterparty Risk; Credit Risk; Cyber Security Risk; Data Source Risk; Debt Market Risk; Derivatives Risk; Duration Risk; General Investing Risk; Government, Political & Regulatory Risk; Income Risk; Inflation Linked Securities Risk; Interest Rate Risk; Issuer Diversification Risk; Liquidity Risk; Market Risk; Maturity Risk; Pooled Investment Vehicle Risk; Securities Lending Risk; Smaller Company Risk; Tax Risk; U.S. Government Securities Risk; Not all of these risks apply to each fixed income strategy. The specific risks associated with a particular income strategy depend on the approaches used and the extent to which the strategy employs certain portfolio management techniques or invests in financial instruments other than debt securities. For a summary of each risk, see *Summary of Material Risks* below.

#### Summary of Material Risks

*Active Management Risk.* The success of a client's account that is actively managed depends upon the investment skills and analytical abilities of Atlanta Capital to develop and effectively implement strategies that achieve the client's investment objective. Subjective decisions made by Atlanta Capital may cause a client portfolio to incur losses or to miss profit opportunities on which it may otherwise have capitalized.

*Allocation and Position Limits Risk:* A client account's performance depends upon how its assets are allocated and reallocated, and an investor could lose money as a result of these allocation decisions and related constraints. As described in Item 12 – Brokerage Practices, Atlanta Capital may be subject, by applicable regulation or issuer limitations, to restrictions on the percentage of an issuer which may be held. For purposes of calculating positions, Atlanta Capital may have to aggregate its positions with those of its affiliates. In such situations, Atlanta Capital may be limited in its ability to purchase further securities for its clients, even if the applicable position limits is not exceeded by positions Atlanta Capital has purchased on behalf of its clients.

*Business Continuity Risk.* Atlanta Capital has developed a Business Continuity Program (the "BCP Program") working in conjunction with our parent company, Eaton Vance that is designed to minimize the impact of adverse events that affect Atlanta Capital, Eaton Vance or its affiliates' ability to carry on normal business operations. Such adverse events include, but are not limited to, natural disasters, outbreaks of pandemic and epidemic diseases (such as the



current COVID-19 pandemic), terrorism, acts of governments, any act of declared or undeclared war, power shortages or failures, utility or communication failure or delays, shortages, and system failures or malfunctions. While Atlanta Capital believes the BCP Program should allow it to resume normal business operations in a timely manner following an adverse event, there are inherent limitations in such programs, including the possibility that the BCP Program does not anticipate all contingencies or procedures do not work as intended. Vendors and service providers to Atlanta Capital may also be affected by adverse events and are subject to the same risks that their respective business continuity plans do not cover all contingencies. In the event the BCP Program at Atlanta Capital or similar programs at vendors and service providers do not adequately address all contingencies, client portfolios may be negatively affected as there may be an inability to process transactions, calculate net asset values, value client investments, or disruptions to trading in client accounts. A client's ability to recover any losses or expenses it incurs as a result of a disruption of business operations may be limited by the liability, standard of care, and related provisions in its contractual agreements with Atlanta Capital and other service providers.

*Call Risk:* Fixed income securities will be subject to the risk that an issuer may exercise its right to redeem a fixed income security earlier than expected (a call). Issuers may call outstanding securities prior to their maturity for a number of reasons (e.g., declining interest rates, changes in credit spreads and improvements in the issuer's credit quality). If an issuer calls a security that a client holds, the client may not recoup the full amount of its initial investment or may not realize the full anticipated earnings from the investment and may be forced to reinvest in lower-yielding securities, securities with greater credit risks or securities with other, less favorable features.

*Commercial Mortgage-Backed Securities Risk:* Commercial mortgage-backed securities ("CMBS") are subject to credit, interest rate, prepayment and extension risk. CMBS may not be backed by the full faith and credit of the U.S. Government and are subject to risk of default on the underlying mortgage. CMBS issued by non-government entities may offer higher yields than those issued by government entities, but also may be subject to greater volatility than government issues. CMBS react differently to changes in interest rates than other bonds and the prices of CMBS may reflect adverse economic and market conditions. Small movements in interest rates (both increases and decreases) may quickly and significantly reduce the value of CMBS.

*Concentration Risk:* A strategy that concentrates its investments in a particular sector of the market (such as the utilities or financial services sector) or a specific geographic area (such as a country or state) may be affected by events that adversely affect that sector or area and the value of a portfolio using such a strategy may fluctuate more than that of a less concentrated portfolio.

*Corporate Debt Risk:* Corporate debt securities are subject to the risk of the issuer's inability to meet principal and interest payments on the obligation and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the

creditworthiness of the issuer and general market liquidity. When interest rates rise, the value of corporate debt securities can be expected to decline. Debt securities with longer maturities tend to be more sensitive to interest rate movements than those with shorter maturities. Company defaults can impact the level of returns generated by corporate debt securities. An unexpected default can reduce income and the capital value of a corporate debt security. Furthermore, market expectations regarding economic conditions and the likely number of corporate defaults may impact the value of corporate debt securities.

*Counterparty Risk:* A financial institution or other counterparty with whom an investor does business (such as trading or securities lending), or that underwrites, distributes or guarantees any investments or contracts that an investor owns or is otherwise exposed to, may decline in financial condition and become unable to honor its commitments. This could cause the value of an investor's portfolio to decline or could delay the return or delivery of collateral or other assets to the investor.

*Credit Risk:* Debt obligations are subject to the risk of non-payment of scheduled principal and interest. Changes in economic conditions or other circumstances may reduce the capacity of the party obligated to make principal and interest payments on such instruments and may lead to defaults. Such non-payments and defaults may reduce the value of, or income distributions from, a client portfolio. The value of a fixed income security also may decline because of concerns about the issuer's ability to make principal and interest payments. In addition, the credit ratings of debt obligations may be lowered if the financial condition of the party obligated to make payments with respect to such instruments changes. Credit ratings assigned by rating agencies are based on a number of factors and do not necessarily reflect the issuer's current financial condition or the volatility or liquidity of the security. In the event of bankruptcy of the issuer of debt obligations, a client portfolio could experience delays or limitations with respect to its ability to realize the benefits of any collateral securing the instrument. In order to enforce its rights in the event of a default, bankruptcy or similar situation, a client may be required to retain legal or similar counsel at their own expense.

*Cyber Security Risk:* As technology becomes more engrained in businesses, information about clients and Atlanta Capital may be more susceptible to cyber security breaches. Cyber security breaches and risks include both intentional and unintentional events and may include, but are not limited to: third parties purposefully hacking Atlanta Capital's systems to access confidential client information; attacks designed to disrupt Atlanta Capital's normal business operations; corruption or destruction of data; or inadvertent disclosure by Atlanta Capital of confidential information. Additionally, Atlanta Capital utilizes third parties for a variety of services, including custodians, broker dealers, vendors, transfer agents, and advisors. Such third parties may have access to Atlanta Capital's systems or confidential information, or Atlanta Capital may rely on the third party's systems to perform certain business functions. If the third party suffers a cyber security event, confidential information about Atlanta Capital's clients may be exposed or Atlanta Capital may not be able to access the systems. Moreover, a security in a client's account may decline in value if the issuer or counterparty to such security suffers a cyber security event. Atlanta Capital has adopted both business continuity plans and a program

designed to reduce the risk of cyber security breaches. However, there are no guarantees that these actions will prevent cyber security breaches or foresee future threats.

*Data Source Risk:* Atlanta Capital subscribes to a variety of third party data sources that are used to evaluate, analyze and formulate investment decisions. If a third party provides inaccurate data, client accounts may be negatively affected. While Atlanta Capital believes the third party data sources are reliable, there are no guarantees that data will be accurate.

*Debt Market Risk:* Economic and other events (whether real or perceived) can reduce the demand for certain income securities or for investments generally, which may reduce market prices and cause the value of a client portfolio to fall. The frequency and magnitude of such changes cannot be predicted. Certain securities and other investments can experience downturns in trading activity and, at such times, the supply of such instruments in the market may exceed the demand. At other times, the demand for such instruments may exceed the supply in the market. An imbalance in supply and demand in the market may result in valuation uncertainties and greater volatility, less liquidity, wider trading spreads and a lack of price transparency in the market. No active trading market may exist for certain investments, which may impair the ability to sell or to realize the full value of such investments in the event of the need to liquidate such assets. Adverse market conditions may impair the liquidity of some actively traded investments.

*Derivatives Risk:* The use of derivatives can lead to losses because of adverse movements in the price or value of the asset, index, rate or instrument underlying a derivative, due to failure of counterparty or due to tax or regulatory constraints. Derivatives may create economic leverage in a client portfolio, which magnifies the portfolio's exposure to the underlying investment. Derivatives risk may be more significant when derivatives are used to enhance return or as a substitute for a position or security, rather than solely to hedge the risk of a position or security held by a client portfolio. Derivatives for hedging purposes may not reduce risk if they are not sufficiently correlated to the position being hedged. A decision as to whether, when and how to use derivatives involves the exercise of specialized skill and judgment, and a transaction may be unsuccessful in whole or in part because of market behavior or unexpected events. Derivative instruments may be difficult to value, may be illiquid, and may be subject to wide swings in valuation caused by changes in the value of the underlying instrument. If a derivative counterparty is unable to honor its commitments, the value of a client portfolio may decline and/or the portfolio could experience delays in the return of collateral or other assets held by the counterparty. The loss on derivative transactions may substantially exceed the initial investment.

*Duration Risk:* Duration measures the expected life of a fixed-income security, which can determine its sensitivity to changes in the general level of interest rates. Securities with longer durations tend to be more sensitive to interest rate changes than securities with shorter durations. A portfolio with a longer dollar-weighted average duration can be expected to be more sensitive to interest rate changes than a portfolio with a shorter dollar-weighted average duration. Duration differs from maturity in that it considers a security's coupon payments in

addition to the amount of time until the security matures. As the value of a security changes over time, so will its duration.

*Equity Risk:* Portfolios may be sensitive to stock market volatility and some stocks within a client's portfolio may be more volatile than the market as a whole. The value of stocks and related instruments may decline in response to conditions affecting the general economy; overall market changes; local, regional or global political, social or economic instability; and currency, interest rate and commodity price fluctuations, as well as issuer or sector specific events. Market conditions may affect certain types of stocks (such as large-cap or growth stocks) to a greater extent than other types of stocks. If the stock market declines, the value of a portfolio will also likely decline and, although stock values can rebound, there is no assurance that values will return to previous levels.

*ETF Risk:* Investing in an ETF exposes a client portfolio to all of the risks of that ETF's investments and subjects it to a pro rata portion of the ETF's fees and expenses. As a result, the costs of investing in ETF shares may exceed the costs of investing directly in the underlying investments. ETF shares trade on an exchange at a market price which may vary from the ETF's net asset value. ETF's may be purchased at prices that exceed the net asset value of their underlying investments and may be sold at prices below such net asset value. Because the market price of ETF shares depends on the demand in the market for them, the market price of an ETF may be more volatile than the underlying portfolio of securities the ETF is designed to track, and a client account may not be able to liquidate ETF holdings at the time and price desired, which may impact its performance.

*European Economic and Market Events:* In June 2016, the United Kingdom approved a referendum to leave the European Union ("Brexit"). There is significant market uncertainty regarding Brexit's ramifications, and the range and potential implications of possible political, regulatory, economic, and market outcomes are difficult to predict. Political events, including nationalist unrest in Europe and uncertainties surrounding the sovereign debt of a number of European Union ("EU") countries and the viability of the EU itself, also may cause market disruptions. If one or more countries leave the EU or the EU dissolves, the world's securities markets likely will be significantly disrupted. Moreover, the uncertainty about the ramifications of Brexit may cause significant volatility and/or declines in the value of the Euro and British pound. In December 2019, the United Kingdom passed a withdrawal agreement that, upon final approval from Parliament, calls for the United Kingdom to withdraw from the EU on January 31, 2020. Following the United Kingdom's withdrawal at the end of January, the United Kingdom will enter into an 11-month transition period during which it will cease to be a member of the EU but continue to follow EU rules and contribute to its budget. The UK ceased to be a member of the EU after December 31, 2020. The EU and UK agreed to a bare-bones trade deal prior to the UK's exit from the EU, although many terms of this deal have yet to be decided. The uncertainty around the terms of the trade deal may cause greater market volatility and illiquidity, currency fluctuations, deterioration in economic activity, a decrease in business confidence, and increased likelihood of a recession in the United Kingdom.

*General Investing Risks:* Most investment strategies are not intended to be a complete investment program. All investments carry a certain amount of risk and there is no guarantee that a client portfolio will be able to achieve its investment objective. Investors generally should have a long-term investment perspective and be able to tolerate potentially sharp declines in value and/or investment losses. Investment advisers, other market participants and many securities markets are subject to rules and regulations and the jurisdiction of one or more regulators. Changes to applicable rules and regulations could have an adverse effect on securities markets and market participants, as well as on the ability to execute a particular investment strategy.

*Government, Political, and Regulatory Risk:* U.S. and foreign legislative, regulatory, and other government actions which may include changes to regulations, the tax code, trade policy, or the overall regulatory environment may negatively affect the value of securities within a client's account, or may affect Atlanta Capital's ability to execute its investing strategies. If compliance costs associated with such events increase, the costs of investing may increase, negatively affecting clients.

*Growth Risk:* Strategies which invest primarily in stocks of growth companies are subject to the risk of underperforming the overall stock market during periods in which stocks of growth companies are out of favor and generate lower returns than the market as a whole.

*Income Risk:* A portfolio's ability to generate income will depend on the yield available on the securities held by the portfolio. In the case of equity securities, changes in the dividend policies of companies held by a client portfolio could make it difficult for the portfolio to generate a predictable level of income.

*Inflation-Linked Security Risk:* Inflation-linked debt securities are subject to the effects of changes in market interest rates caused by factors other than inflation (real interest rates). In general, the price of an inflation-linked security tends to decrease when real interest rates increase and can increase when real interest rates decrease. Interest payments on inflation linked securities may vary widely and will fluctuate as the principal and interest are adjusted for inflation. Any increase in the principal amount of an inflation-linked debt security will be taxable ordinary income, even though the portfolio will not receive the principal until maturity. There can be no assurance that the inflation index used will accurately measure the real rate of inflation in the prices of goods and services. A portfolio's investments in inflation-linked securities may lose value in the event that the actual rate of inflation is different than the rate of the inflation index.

*Interest Rate Risk:* As interest rates rise, the value of a client portfolio invested primarily in fixed-income securities or similar instruments is likely to decline. Conversely, when interest rates decline, the value of such a client portfolio is likely to rise. Securities with longer maturities are more sensitive to changes in interest rates than securities with shorter maturities, making them more volatile. A rising interest rate environment may extend the average life of mortgages or other asset-backed receivables underlying mortgage-backed or

asset-backed securities. This extension increases the risk of depreciation due to future increases in market interest rates. In a declining interest rate environment, prepayment of certain types of securities may increase. In such circumstances, the portfolio manager may have to reinvest the prepayment proceeds at lower yields. A strategy that is managed toward an income objective may hold securities with longer maturities and therefore be more exposed to interest rate risk than a strategy focused on total return.

*Issuer Diversification Risk:* Strategies that focus their investments in a small number of issuers are generally more susceptible to risks affecting such issuers than a more diversified strategy might be.

*Liquidity Risk:* A client portfolio is exposed to liquidity risk when trading volume, lack of a market maker or trading partner, large position size, market conditions, or legal restrictions impair its ability to sell particular investments or to sell them at advantageous market prices. Consequently, the client portfolio may have to accept a lower price to sell an investment or continue to hold it or keep the position open, sell other investments to raise cash or give up an investment opportunity, any of which could have a negative effect on the portfolio's performance. These effects may be exacerbated during times of financial or political stress.

*LIBOR Risk:* Certain financial instruments (such as debt instruments and derivatives) use the London Interbank Offered Rate (LIBOR) as a 'reference' or 'benchmark' rate. LIBOR is the average offered rate for various maturities of short-term loans between certain major international banks. LIBOR is expected to be phased out by the end of 2021. Although the transition process away from LIBOR is expected to be well-defined in advance of the anticipated discontinuation, there remains uncertainty regarding the future utilization of LIBOR and the nature of any replacement rate or rates. The transition process may involve, among other things, increased volatility or illiquidity in markets for instruments that currently rely on LIBOR. The transition may also result in a change in (i) the value of certain instruments held by the Fund, (ii) the cost of borrowing for investors, or (iii) the effectiveness of related transactions such as hedges, as applicable. When LIBOR is discontinued, the LIBOR replacement rate may be lower than market expectations, which could have an adverse impact on the value of preferred and debt-securities with floating or fixed-to-floating rate coupons. Additionally, while some existing LIBOR-based instruments may contemplate a scenario where LIBOR is no longer available by providing for an alternative or "fallback" rate-setting methodology, there may be significant uncertainty regarding the effectiveness of any such alternative methodologies to replicate LIBOR. Not all existing LIBOR-based instruments have such fallback provisions, and many that do, do not contemplate the permanent cessation of LIBOR. While it is expected that market participants will amend legacy financial instruments referencing LIBOR to include fallback provisions to alternative reference rates, there remains uncertainty regarding the willingness and ability of parties to add or amend such fallback provisions in legacy instruments maturing after the end of 2021, particularly with respect to legacy cash products. Since the usefulness of LIBOR as a benchmark could deteriorate during the transition period, these effects may occur prior to the discontinuation date. Any such effects of the transition

away from LIBOR and the adoption of alternative reference rates, as well as other unforeseen effects, could result in losses to an investor.

*Market Risk:* Economic and other events (whether real or perceived) can reduce the demand for certain securities or for investments generally, which may reduce market prices and cause the value of a client portfolio to fall. The frequency and magnitude of such changes cannot be predicted. Certain securities can experience downturns in trading activity and, at such times, the supply of such instruments in the market may exceed the demand. At other times, the demand for such instruments may exceed the supply in the market. An imbalance in supply and demand in the market may result in valuation uncertainties and greater volatility, less liquidity, widening credit spreads and a lack of price transparency in the market. No active trading market may exist for certain investments, which will impair the ability of the portfolio manager to sell or to realize the full value of such investments in the event of the need to liquidate such assets. Adverse market conditions can impair the liquidity of some actively traded investments. COVID-19, which originated at the end of 2019, has led to a global pandemic and has caused unprecedented market, employment, and societal disruptions in the United States and across the world. It is unknown how long these disruptions will last, if they may become more severe, or if they may lead to additional geopolitical or market risk which could negatively affect markets, liquidity, and investment valuation.

*Maturity Risk:* Interest rate risk will generally affect the price of a fixed income security more if the security has a longer maturity. Fixed income securities with longer maturities will therefore be more volatile than other fixed income securities with shorter maturities. Conversely, fixed income securities with shorter maturities will be less volatile but generally provide lower returns than fixed income securities with longer maturities. The average maturity of a client portfolio's investments will affect the volatility of the portfolio's rate of return.

*Pooled Investment Vehicles Risk:* Pooled investment vehicles include open- and closed-end investment companies, exchange-traded funds ("ETFs"), and private funds. Pooled investment vehicles are subject to the risks of investing in the underlying securities or other investments. Shares of closed-end investment companies and ETFs may trade at a premium or discount to net asset value and are subject to secondary market trading risks. In addition, except as otherwise noted in this Form ADV Part 2A, the client portfolio will bear a pro rata portion of the operating expenses of a pooled investment vehicle in which it invests.

*Responsible Investing and ESG Risk:* Clients utilizing responsible investing strategies and environment, social responsibility and corporate governance (ESG) factors may underperform strategies which do not utilize responsible investing and ESG considerations. Responsible investing and ESG strategies may operate by either excluding the investments of certain issuers or by selecting investments based on their compliance with factors such as ESG. These strategies may exclude certain sectors or industries from a client's portfolio, potentially negatively affecting the client's investment performance if the excluded sector or industry outperforms. Responsible investing and ESG are subjective by nature, and Atlanta Capital may rely on analysis and 'scores' provided by third parties in determining whether an issuer meets

Atlanta Capital's standards for inclusion or exclusion. A client's perception may differ from Atlanta Capital's or a third parties on how to judge an issuers adherence to responsible investing principles.

*Securities Lending Risk:* Securities lending involves possible delay in recovery of the securities or possible loss of rights in the collateral should the borrower fail financially. As a result, the value of a client portfolio may fall and there may be a delay in recovering the loaned securities. The value of a client portfolio could also fall if a loan is called and the portfolio is required to liquidate reinvested collateral at a loss or is unable to reinvest cash collateral at rates that exceed the costs involved.

*Smaller Company Risk:* Smaller companies are generally subject to greater price fluctuations, limited liquidity, higher transaction costs and higher investment risk. Such companies may have limited product lines, markets or financial resources, and they may be dependent on a limited management group, or lack substantial capital reserves or an established performance record. There is generally less publicly available information about such companies than for larger, more established companies. Securities of these companies frequently have lower trading volumes, making them more volatile and potentially more difficult to value.

*Tax Risk:* The tax treatment of investments held in a client portfolio may be adversely affected by future tax legislation, Treasury Regulations and/or guidance issued by the Internal Revenue Service that could affect the character, timing, and/or amount of taxable income or gains attributable to an account. Income from tax-exempt municipal obligations could be declared taxable because of unfavorable changes in tax laws, adverse interpretations by the Internal Revenue Service or non-compliant conduct of a bond issuer.

*U.S. Government Securities Risk:* Although certain U.S. Government-sponsored agencies (such as the Federal Home Loan Mortgage Corporation and the Federal National Mortgage Association) may be chartered or sponsored by acts of Congress, their securities are neither issued nor guaranteed by the U.S. Treasury. U.S. Treasury securities generally have a lower return than other obligations because of their higher credit quality and market liquidity.



**Item 9 - Disciplinary Information**

Atlanta Capital and its affiliates are subject to routine regulatory examinations and may be involved in litigation arising in the ordinary course of business. Atlanta Capital does not have any relevant legal, regulatory or disciplinary information to disclose that would be material to a client's evaluation of Atlanta Capital's investment advisory business or the integrity of its management.

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

As detailed in item 4, Atlanta Capital, through its parent company, Eaton Vance Acquisitions (“EVA”), is a majority owned subsidiary of Eaton Vance Corp. (“EVC”). As a subsidiary of EVC, Atlanta Capital has several relationships with affiliates which are material to its advisory business and its clients.

Atlanta Capital is under common control with Eaton Vance Distributors, Inc. (“EVD”), a broker-dealer registered with the SEC and a FINRA member firm. EVD is a wholly owned subsidiary of EVC. EVD is the principal underwriter and distributor of certain Eaton Vance Funds (“EV Funds”) and for certain registered investment companies sponsored by Calvert Research and Management (“Calvert Funds”), some of which are sub-advised by Atlanta Capital. Atlanta Capital currently does not conduct any brokerage business with EVD. Atlanta Capital and EVD have entered into a revenue sharing agreement under which Atlanta Capital compensates EVD with a portion of the advisory fees earned by Atlanta Capital for certain client accounts, as EVD representatives actively market and support Atlanta Capital investment products in certain channels.

Atlanta Capital is under common control with Eaton Vance Management (“EVM”), a registered investment adviser with the SEC. EVM is also a registered Commodity Trading Adviser and Commodity Pool Operator with the CFTC through the NFA. EVM is a wholly owned subsidiary of EVC. Atlanta Capital has entered into an arrangement with EVM whereby EVM provides to Atlanta Capital certain services such as accounting, finance, tax, human resources, information technology and legal. Atlanta Capital and EVM compensate each other for the cost of these services. EVM serves as the investment adviser, transfer agent, and/or administrator to certain EV Funds and other unaffiliated client portfolios. Atlanta Capital has entered into sub-advisory agreements with EVM with respect to certain EV Funds and other unaffiliated client portfolios.

Atlanta Capital is under common control with Parametric Portfolio Associates LLC (“Parametric”), a registered investment adviser with the SEC. Parametric is also a registered Commodity Trading Adviser and Commodity Pool Operator with the CFTC through the NFA. Parametric provides investment overlay services to EVM for certain client accounts utilizing certain EVM and Atlanta Capital investment strategies. Pursuant to a revenue sharing agreement between Atlanta Capital, EVM and Parametric, Atlanta Capital receives a portion of the total fees paid to EVM and/or Parametric for such accounts. Atlanta Capital provides Parametric with model portfolios which Parametric implements in Parametric client accounts.

Atlanta Capital is under common control with Boston Management and Research (“BMR”), a registered investment adviser with the SEC. BMR is also a registered Commodity Pool Operator with the CFTC through the NFA. BMR is an indirect, wholly owned subsidiary of EVC. BMR serves as the investment adviser to certain EV Funds. Atlanta Capital has entered into sub-advisory agreements with BMR with respect to certain EV Funds.

Atlanta Capital is under common control with Calvert Research and Management (“CRM”), an investment adviser registered with the SEC. CRM is a wholly owned subsidiary of EVM. CRM serves as an investment adviser to various separate accounts and pooled funds, included registered investment companies underwritten by EVD (the Calvert Funds). Atlanta Capital has entered into sub-advisory agreements with CRM with respect to certain Calvert Funds.

Eaton Vance WaterOak Advisors (“WaterOak”), a wholly owned subsidiary of EVC, is registered as an investment adviser with the SEC. WaterOak serves as an investment adviser to high net worth individuals, trusts, pension plans and institutions on both a discretionary and non-discretionary basis. Atlanta Capital anticipates it will provide models to WaterOak for WaterOak to implement in its clients accounts in the future.

Atlanta Capital is under common control with Eaton Vance Advisers International Ltd. (“EVAIL”), Eaton Vance Management (International) Limited (“EVMI”), Eaton Vance Global Advisors Limited (“EVGA”). EVAIL, EVMI, and EVGA are subsidiaries of EVM. EVAIL, EVMI, and EVGA serve as the investment adviser or distributor to certain funds and separately managed accounts.

Atlanta Capital is under common control with Eaton Vance Trust Company (“EVTC”), a limited purpose non-depository trust company organized and operating under the laws of Maine. EVTC serves as trustee to common trust funds and collective investment trusts, and to private trusts for which other EVC affiliates act as investment adviser.

Investment strategies and products of Atlanta Capital, EVM and other affiliates are cross-marketed and jointly marketed by EVD representatives as discussed above. Atlanta Capital works closely with its affiliates to jointly market advisory services and strategic investment strategies to institutional investors and high-net-worth individuals, and refers clients to its affiliates when appropriate. These shared marketing efforts and sales referrals result in intercompany transfers and cost-sharing payments between Atlanta Capital and its affiliates. Pursuant to a written agreement between Atlanta Capital and EVD, Atlanta Capital compensates EVD a percentage of the investment advisory fee earned by Atlanta Capital on certain accounts for EVD’s joint-marketing efforts.

Atlanta Capital may from time to time purchase special project consulting services from, or send employees and principals to educational conferences sponsored by pension consultants and fiduciaries who also may advise Atlanta Capital clients and prospects. Atlanta Capital employees and principals incur meal and entertainment expenses involving or related to consultants and fiduciaries of Atlanta Capital clients and prospects that are reimbursed by the firm. These arrangements may create a conflict of interest in connection with the consultant’s or fiduciary’s recommendation of Atlanta Capital to a client or prospect. It is Atlanta Capital’s policy to limit these activities to generally accepted business practices consistent with its fiduciary responsibilities. In no instance, however, are Atlanta Capital employees and principles permitted to improperly influence these consultants and fiduciaries as a result of these

expenditures, or attempt to interfere with the consultants' and fiduciaries' independent decision making.

While Atlanta Capital strives to place the interests of its clients first, under certain circumstances a client's interests may conflict with the interest of Atlanta Capital or the interests of another Atlanta Capital client. Many of these conflicts are inherent in the investment management industry and exist with all financial services companies that provide similar services. For example, Atlanta Capital may have an incentive to use the services of an affiliate when similar services may be available from an unaffiliated party at a lower cost. In addition, Atlanta Capital may have an incentive to allocate certain investment opportunities to accounts paying a higher advisory fee than to accounts paying a lower fee. Atlanta Capital is subject to various U.S. and non-U.S. laws and regulations aimed at limiting the effects of these conflicts. Atlanta Capital has adopted policies and procedures to comply with applicable laws and regulations, to mitigate these conflicts where possible and to ensure that it acts at all times in the best interests of clients. For additional information on certain conflicts of interests and the procedures designed to mitigate them, see the *Code of Ethics* section below.

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

### **Code of Ethics**

In accordance with Rule 204A-1, Atlanta Capital has a written Code of Ethics (the “Code”), to address the potential for self-dealing and conflicts of interest which may arise with respect to personal securities trading by employees, officers and other affiliated persons (“Access Persons”). The Code is jointly monitored by the compliance departments of Atlanta Capital and Eaton Vance. The Code applies not only to Access Persons, but also to members of their “immediate family” (as defined in the Code), which includes most relatives living in the Access Persons principal residence. The Code and other policies cover, among other things, portfolio management and trading practices, personal investment transactions and insider trading. These policies are meant to avoid actual and apparent conflicts of interest and to ensure that clients’ interests are put first. For example, the Code restricts the timing and other circumstances under which certain Access Persons may purchase or sell a security which to their knowledge is being purchased or sold or being considered for purchase or sale by a client. The Code further restricts or discourages certain investment activities, such as participation in IPOs or limited offerings, frequent securities trading and the use of short sales and naked options. Designated individuals are also prohibited from purchasing or selling any security for their own account or for that of a client while in possession of material, non-public information concerning the security or its issuer. The Code also requires Access Persons to obtain preclearance before trading in securities for their own account and to periodically report their securities holdings, including any interests held in registered investment companies advised by Eaton Vance or its affiliates. To facilitate this reporting, these Access Persons are generally required to maintain personal brokerage accounts only at certain designated broker-dealers and to disclose these accounts to the Atlanta Capital Compliance Department.

Atlanta Capital imposes sanctions for violations of the Code. These sanctions may include a ban on personal securities trading, disgorgement of trading profits, monetary fines and suspension or termination of employment.

A complete copy of our Code of Business Conduct and Ethics available upon request by contacting our Compliance Department at (404) 876-9411 or [compliance@atlcap.com](mailto:compliance@atlcap.com).

### **Participation or Interest in Client Transactions**

Atlanta Capital does not buy securities from, or sell securities to, any investment advisory client. The officers and employees of Atlanta Capital and accounts in which affiliated persons have an investment interest may at times buy or sell and have positions in securities which may be those recommended for purchase or sale to investment advisory clients. In addition, Atlanta Capital and its affiliated persons may also give advice and take action in the performance of their duties to clients, which may differ from, or be similar to, the advice given, or the timing and nature of action taken, with respect to their own accounts. Atlanta Capital may combine transaction orders placed on behalf of clients, including accounts in which affiliated persons, employees or entities of Atlanta Capital have an investment interest (such as sub-advised

mutual funds). Available investment opportunities will be allocated among clients in a manner deemed equitable by Atlanta Capital. Atlanta Capital seeks to ensure that the firm and its employees do not personally benefit from the short-term market effects of recommendations to or actions for clients through personal securities policies and procedures under the Code discussed in more detail above.

#### Additional Conflicts of Interest

In special circumstances and consistent with the client's investment objectives, Atlanta Capital may invest a portion of the assets of an Institutional Account client's discretionary account in shares of an EV Fund (or other fund sub-advised by Atlanta Capital) or may recommend such an investment to an Institutional Account client having a non-discretionary account. Since Atlanta Capital or an affiliate receives management and/or administrative fees for serving as investment adviser to such Funds, with respect to that portion of an Institutional Account client's account invested in a Fund, the client is not charged an advisory fee by Atlanta Capital (i.e., when calculating the advisory fee payable to Atlanta Capital, the value of the Institutional Account client's account is reduced by the value of the shares of any affiliated Funds owned by the client in that account). The management and administrative fee rate payable by the Fund may be more or less than that otherwise payable by the Institutional Account client in connection with its investment advisory account. Such investments will generally not be made by Atlanta Capital without the consent of the client.

Atlanta Capital may combine transaction orders placed on behalf of clients, including accounts in which affiliated persons of Atlanta Capital have an investment interest (such as sub-advised Funds). Available investment opportunities will be allocated among clients in a manner deemed equitable by Atlanta Capital. See *Item 12 - Brokerage Practices* below for more information.

From time to time, various potential and actual conflicts of interest arise from the overall advisory, investment and other activities of Atlanta Capital, and Atlanta Capital affiliates, including Morgan Stanley upon the closing of the Morgan Stanley Acquisition, and personnel (each, an "Advisory Affiliate" and, collectively, the "Advisory Affiliates").

The Advisory Affiliates manage long and short portfolios. The simultaneous management of long and short portfolios creates conflicts of interest in portfolio management and trading in that opposite directional positions may be taken in client accounts managed by the same investment team, and creates risks such as: (i) the risk that short sale activity could adversely affect the market value of long positions in one or more portfolios (and vice versa) and (ii) the risks associated with the trading desk receiving opposing orders in the same security simultaneously. In certain circumstances, Advisory Affiliates invest on behalf of themselves in securities and other instruments that would be appropriate for, held by, or may fall within the investment guidelines of the funds and/or accounts managed by them (collectively, the "Advisory Clients"). At times, the Advisory Affiliates will give advice or take action for their own accounts that differs from, conflicts with, or is adverse to advice given or action taken for any of the Advisory Clients. From time to time, conflicts also arise due to the fact that certain securities or instruments maybe held in some Advisory Clients but not in others, or the

Advisory Clients may have different levels of holdings in certain securities or instruments, and because the Advisory Clients pay different levels of fees to us. In addition, at times an Advisory Affiliate will give advice or take action with respect to the investments of one or more Advisory Clients that is not given or taken with respect to other Advisory Clients with similar investment programs, objectives, and strategies. Accordingly, Advisory Clients with similar strategies will not always hold the same securities or instruments or achieve the same performance. Advisory Affiliates also advise Advisory Clients with conflicting programs, objectives or strategies. Any of the foregoing activities may adversely affect the prices and availability of other securities or instruments held by or potentially considered for one or more Advisory Clients. Finally, the Advisory Affiliates may have conflicts in allocating their time and services among their Advisory Clients. We will devote as much time to each of our Advisory Clients as we deem appropriate to perform our duties in accordance with our respective management agreements.

Different Advisory Clients may invest in different classes of securities of the same issuer, depending on the respective Advisory Client's investment objectives and policies. As a result, we (and Advisory Affiliates), at times, will seek to satisfy fiduciary obligations to certain Advisory Affiliates owning one class of securities of a particular issuer by pursuing or enforcing rights on behalf of those Advisory Clients with respect to such class of securities, and those activities may have an adverse effect on another Advisory Client which owns a different class of securities of such issuer. For example, if one Advisory Client holds debt securities of an issuer and another Advisory Client holds equity securities of the same issuer, if the issuer experiences financial or operational challenges, an Advisory Affiliate may seek a liquidation of the issuer on behalf of the Advisory Client that holds the debt securities, whereas the Advisory Client holding the equity securities may benefit from a reorganization of the issuer. Thus, in such situations, the actions taken by an Advisory Affiliate on behalf of one Advisory Client can negatively impact securities held by another Advisory Client.

#### *Morgan Stanley Securities and Investment Banking Activities*

To address conflicts of interest upon the closing of the Morgan Stanley Acquisition, it is expected that there will be certain limitations on Atlanta Capital's ability to invest in securities issued by Morgan Stanley.

Additionally, Morgan Stanley advises its clients on a variety of mergers, acquisitions and financing transactions. Morgan Stanley may act as an advisor to clients that may compete with Atlanta Capital clients and with respect to Atlanta Capital clients' investments. In certain instances, Morgan Stanley will give advice and takes action with respect to its clients or proprietary accounts that may differ from the advice Atlanta Capital provides, or involves an action of a different timing or nature than the action taken advised by Atlanta Capital. At times, Morgan Stanley will give advice and provide recommendations to persons competing with Atlanta Capital clients and/or any of Atlanta Capital clients' investments, contrary to the client's best interests and/or the best interests of any of its investments.

Morgan Stanley could be engaged in financial advising, whether on the buy-side or sell-side, or in financing or lending assignments that could result in Morgan Stanley's determining in its discretion or being required to act exclusively on behalf of one or more third parties, which could limit Atlanta Capital clients' ability to transact with respect to one or more existing or potential investments. Morgan Stanley may have relationships with third-party funds, companies or investors who may have invested in or may look to invest in portfolio companies, and there could be conflicts between Atlanta Capital clients' best interests, on the one hand, and the interests of a Morgan Stanley client or counterparty, on the other hand. To the extent that Morgan Stanley advises creditor or debtor companies in the financial restructuring of companies either prior to or after filing for protection under Chapter 11 of the Bankruptcy Code or similar laws in other jurisdictions, Atlanta Capital's flexibility in making investments in such restructurings on a client's behalf may be limited.

From time to time, different areas of Morgan Stanley will come into possession of material, non-public information as a result of providing investment banking services to issuers of securities. In an effort to prevent the mishandling of material, non-public information, Morgan Stanley will, at times, restrict trading of these issuers' securities by Atlanta Capital and Atlanta Capital clients during the period such material, non-public information is held by Morgan Stanley, which period may be substantial. In instances where trading of an investment is restricted, Atlanta Capital clients may not be able to purchase or sell such investment, in whole or in part, resulting in Atlanta Capital clients' inability to participate in certain desirable transactions and/or a lack of liquidity concerning Atlanta Capital clients' existing portfolio investments. This inability to buy or sell an investment could have an adverse effect on an Atlanta Capital client's portfolio due to, among other things, changes in an investment's value during the period its trading is restricted.

Morgan Stanley could provide investment banking services to competitors of Atlanta Capital clients' portfolio companies, as well as to private equity and/or private credit funds, and such activities could present Morgan Stanley with a conflict of interest vis-a-vis a client's investment and also result in a conflict in respect of the allocation of investment banking resources to portfolio companies. To the extent permitted by applicable law, Morgan Stanley can provide a broad range of financial services to companies in which an Atlanta Capital client invests, including strategic and financial advisory services, interim acquisition financing and other lending and underwriting or placement of securities, and Morgan Stanley generally will be paid fees (that may include warrants or other securities) for such services. Morgan Stanley will not share any of the foregoing interest, fees and other compensation received by it (including, for the avoidance of doubt, amounts received by us) with Atlanta Capital clients, and any advisory fees payable will not be reduced thereby.

Morgan Stanley could be engaged to act as a financial advisor to a company in connection with the sale of such company, or subsidiaries or divisions thereof, may represent potential buyers of businesses through its mergers and acquisition activities and could provide lending and other related financing services in connection with such transactions. Morgan Stanley's compensation for such activities is usually based upon realized consideration and is usually



contingent, in substantial part, upon the closing of the transaction. Atlanta Capital clients may be precluded from participating in a transaction with or relating to the company being sold under these circumstances.

Atlanta Capital believes that the nature and range of clients to whom MS BDs (as defined below) render investment banking and other services is such that it would be inadvisable to exclude these companies from a client's portfolio. Accordingly, unless advised by a client to the contrary, it is likely that Atlanta Capital client holdings will include the securities of corporations for whom MS BDs perform investment banking and other services. Moreover, Atlanta Capital client portfolios may include the securities of companies in which MS BDs make a market or in which Atlanta Capital, its officers and employees, and MS BDs or other related persons and their officers or employees have positions.

To meet applicable regulatory requirements, there are periods when Atlanta Capital will not initiate or recommend certain types of transactions in the securities of companies for which an MS BD is performing investment banking services. Atlanta Capital will not advise clients of that fact. In particular, when an MS BD is engaged in an underwriting or other distribution of securities of a company, Atlanta Capital may be prohibited from purchasing or recommending the purchase of certain securities of that company for Atlanta Capital clients. Notwithstanding the circumstances described above, clients, on their own initiative, may direct us to place orders for specific securities transactions in their account. In addition, Atlanta Capital generally will not initiate or recommend transactions in the securities of companies with respect to which Atlanta Capital affiliates may have controlling interests or are affiliated.

## Item 12 - Brokerage Practices

Atlanta Capital determines which securities are bought or sold for an account, the amount of such securities and the timing of the purchases and sales, the broker through which transactions are effected and the commission rates or spreads paid, except as specifically directed by the client. Our discretion in those matters, however, is limited by our responsibility to act in the best interest of our clients in fulfilling their investment objectives.

### Selection of Broker-Dealers

Atlanta Capital seeks to obtain the best overall execution when selecting broker-dealers for client portfolio transactions. In seeking the best overall execution, Atlanta Capital will use its best judgment in evaluating the terms of a transaction and will give consideration to relevant factors including but not limited to:

- responsiveness of the broker-dealer to Atlanta Capital
- the size and type of the transaction;
- the general execution and operational capabilities of the broker-dealer firm;
- the nature and character of the market for the security;
- the confidentiality, speed and certainty of effective execution required for the transaction;
- the reputation, reliability, experience and financial condition of the firm;
- the value and quality of the services rendered by the firm in other transactions; and
- the amount of the commission or spread, if any.

The determining factor in seeking best execution is not the lowest possible commission cost, but whether the transaction represents the best overall execution for the client. Further, in the case where a firm bundles research services with its execution services, Atlanta Capital may consider the receipt of Research Services provided it does not compromise the selection of best overall execution. See Soft Dollar Practices below for additional information about brokerage and research services received by Atlanta Capital.

After consideration of the foregoing factors, Atlanta Capital will place client portfolio transactions for execution by that firm. Atlanta Capital continuously monitors and evaluates the overall performance of the firms that execute transactions for clients. Atlanta Capital's trading personnel conduct this evaluation working in conjunction with portfolio managers and senior investment officers of the firm. Atlanta Capital's trading personnel maintain a current list of qualified firms available to execute client transactions. This list is reviewed periodically by the Trade Management Oversight Committee ("TMOC") a multi-function committee comprised of Executive Management, Trading, Portfolio Management, and Compliance personnel of Atlanta Capital. Atlanta maintains a separate TMOC for both our Equity and Fixed Income groups.

Alternative trading platforms (ECN's, etc.) that meet the guidelines are also eligible for consideration. Occasionally, non-approved brokers may be used in circumstances where they

provide improved liquidity. The rationale and circumstances surrounding the use of a non-approved broker will be documented and reported to the TMOC.

A brokerage target allocation plan is established at least annually by the Equity TMOC based upon an evaluation by the investment and trading staff of the value of the research, research sales, and trading/settlement capabilities for each broker. The targets, actual quantity of trades executed, and significant variances are reviewed periodically by the TMOC. The TMOC periodically reviews information from trade evaluation services, analyzes brokerage commission trends, and reviews variations between commission forecasts and actual. The review includes an analysis of the trade information across various time periods to assist in the evaluation of execution costs and efficiency. The TMOC also reviews and evaluate broker performance consistent with the broker selection process.

### Brokerage Commissions

Transactions on stock exchanges and other agency transactions involve the payment by the client of negotiated brokerage commissions. Such commissions vary among different broker-dealer firms, and a particular broker-dealer often charges different commissions according to such factors as the difficulty and size of the transaction and the volume transacted by the client with the broker-dealer. In certain instances, securities traded in the over-the-counter markets have no stated commission, and the price paid or received by the client includes an undisclosed dealer markup or markdown. In an underwritten offering, the price paid by the client includes a disclosed fixed commission or discount retained by the underwriter or dealer.

Fixed Income Securities purchased and sold for clients are traded in the over-the-counter market through broker-dealers. Such firms attempt to profit from these transactions by buying at the bid and selling at the higher asked price of the market for such obligations, and the difference between the bid and the asked price is customarily referred to as the spread. Atlanta Capital uses its best efforts to obtain execution at prices which are advantageous to the client. Fixed Income Securities may also be purchased from underwriters and dealers in fixed-price offerings, the cost of which may include undisclosed fees and concessions received by the underwriters. In recent years, an increased volume of fixed income trading has moved to alternative trading systems (ATS) and other electronic trading platforms. When Atlanta Capital trades on such platforms, Atlanta Capital bids or offers are matched against unknown counterparties which may be broker-dealers or other buy-side firms. The ATS or electronic platform is most commonly compensated based on a specified percentage of the trade amount.

For certain corporate bond and U.S. Treasury trades, particularly those that trade on spread or yield, Atlanta Capital may employ the auto-execution feature on certain electronic trading platforms with the goal of achieving faster execution. Auto-execution allows traders to create rules, parameters and conditions (e.g., trade size, tenors, number of liquidity providers to put in competition) which are then used by the platform's software to systematically send, receive, execute and process trades.

Commission rates are determined by Atlanta Capital through our brokerage selection process to be reasonable in relation to the value of the services provided. However, our Clients may not realize the lowest possible commission rates as our determination process considers the additional factors outlined above.

#### Soft Dollars Practices

Soft dollar practices or arrangements refer to the practice of an investment manager paying broker-dealers for investment research and other brokerage services, either provided directly by the executing broker-dealer (proprietary research) or by others (third party research), using commission dollars generated by client transactions. Under Section 28(e) of the Securities Exchange Act of 1934 ("Section 28(e)"), as interpreted by the SEC, investment managers are allowed to allocate brokerage transactions and to pay for brokerage and research services through higher commission costs. This allows for a bundled transaction fee which includes both execution and research costs, so long as the overall cost is commensurate with the value of research or services received and such services provide lawful and appropriate assistance in the performance of the investment decision-making responsibilities.

Subject to meeting the primary objective of best execution, we select brokers which furnish both proprietary and third party research and other services to us. To the extent permitted by Section 28(e) we may pay a commission on transactions in excess of the amount of commission another broker might have charged if we determine that such commission is reasonable in relation to the value of brokerage or research services provided by such broker, viewed in terms of either the particular account transaction or our overall responsibilities with respect to the client.

We obtain research, as permitted under Section 28(e), which may benefit all of our clients and not just those clients that are paying for such research. We do not seek to allocate soft dollar benefits to client accounts proportionately to the soft dollar credit the accounts generate. To the extent permitted by Section 28(e), we do receive some economic benefit as a result of soft dollar arrangements in that we do not have to produce or pay for the research, products or services.

Research Services utilized by Atlanta Capital include:

- publications or writings that address the value of securities, or the advisability of investing in, purchasing or selling securities, as well as analyses, publications and reports concerning issuers, industries, securities, economic factors, and trends;
- technical analysis of various aspects of the securities markets
- computer software used to assist in the investment decision-making process, including on-line research services (*e.g., Bloomberg, FactSet*);
- Advice from broker-dealers on order execution, including advice on execution strategies, market color, and availability of buyers and sellers (and software that provides these types of market research)
- payment of fees for research conferences and seminars (but not travel and lodging)

- expenses related thereto);
- performance ranking services used to assist in investment decision-making (but not marketing);
- credit rating services;
- consulting services from third parties to the extent that they are used in the investment decision-making process; and
- corporate reference books

The use of research arrangements and services as described above may provide Atlanta Capital an incentive to select broker-dealers based on our own interest in receiving the research or services rather than the interests of our clients. As such, the TMOC in consultation with equity portfolio management and research, evaluates, consistent with our policy to obtain best execution, the nature and quality of the various Research Services obtained through broker-dealer firms. Atlanta Capital trading personnel then attempt to allocate sufficient portfolio transactions to such firms to ensure the continued receipt of Research Services Atlanta Capital believes are useful, or of value to it in rendering investment advisory services to its clients, consistent with Atlanta Capital's obligation to seek the best overall execution for our clients.

#### Client Commission Arrangements

Atlanta Capital considers Research Services under so called "client commission arrangements" or "commission sharing arrangements" (both referred to as "CCA's") as a factor in selecting broker dealers to execute Client transactions, provided they do not comprise our obligation to seek best overall execution. Under a CCA, Atlanta Capital may execute client transactions through a broker-dealer and request that the broker-dealer allocate a portion of the commissions paid on those transactions to a pool of commissions credits that are paid to other firms that provide Research Services to Atlanta Capital. Under a CCA, the broker-dealer that provides the Research Services need not execute the trade.

Participating in CCAs may enable Atlanta Capital to consolidate payments for research using accumulated client commission credits from transactions executing through a participating broker-dealer firm to pay for Research Services obtained from and provided by other firms, including broker-dealers that supply Research Services. Atlanta Capital believes that CCA's allow us to optimize the execution of trades and the acquisition of a variety of highly quality Research Services that Atlanta Capital might not be provided without access to CCAs. Atlanta Capital will only enter into and utilize CCAs to the extent permitted by Section 28(e). As such and as required by SEC interpretive guidance, any CCA's entered into by Atlanta Capital will provide that:

- the broker-dealer pay the research preparer directly
- the broker-dealer take steps to assure itself that the client commissions that Atlanta Capital directs it to use to pay for Research Services are only for eligible research under Section 28(e).

### Client Directed Brokerage

Upon written request from clients, a portion of the security transactions from an account may be directed to specific brokerage firms. Client direction may be to a broker-dealer that provides commission recapture benefits. A commission recapture program generally permits a client to receive benefits (including cash rebates, products, services, and expense payments and reimbursements) from broker-dealers in connection with the client's transactions. In the event that a client directs us to use a particular broker-dealer, the client (or sponsor in the case of Separately Managed Account programs) will be responsible for negotiating the commission rates with such firm or firms and such negotiation may result in higher commissions than would have been paid if Atlanta Capital had full discretion in the selection of broker-dealer firms. In addition, these direction requests may prevent the directed account from participating in the allocation of a larger simultaneous order. Atlanta Capital believes such directed accounts may lose the possible advantage which non-directed clients derive from aggregation of orders for multiple clients. Specifically, directing Atlanta Capital trades through a specific firm or firms may affect the timeliness of executions for the directed accounts and may also result in a less advantageous price being realized by the account.

Atlanta Capital's policy is to seek execution of portfolio transactions at prices which are advantageous to our clients as a whole and at commission rates that are competitive, taking into account the full range and quality of an executing broker-dealer firm's services. This process of weighing the interests of each Atlanta Capital client may result in the trade orders for directed accounts (including separately managed account/wrap fee programs discussed in more detail below) being placed after completion of non-directed orders so as to avoid conflicts in the trading marketplace. In addition, client directed brokerage on behalf of employee benefit plan clients might be subject to special requirements under the Employee Retirement Income Security Act of 1974 ("ERISA").

### Trade Order Aggregation

Investment decisions to buy or sell securities for any account are the product of many factors, including, but not limited to, the particular client's investment objectives, available cash resources, the relative size of the client's portfolio holdings of the same or similar securities, the size of investment commitments generally held by the client and the opinions of the persons responsible for making investments for such account. Thus, a particular security may be bought or sold for certain clients and not for others even though it could have been bought or sold for the other clients at the same time.

At other times, two or more clients may participate in an aggregated order, where they are simultaneously engaged in the purchase or sale of the same security. In such cases, Atlanta Capital will allocate the transactions among the participating clients pursuant to its trading policies and procedures as follows:

- (1) Aggregation is allowed only where consistent with a client's advisory agreement, client instructions to direct brokerage executions to specific broker dealers, with this Form ADV and applicable registration statements, as well as with the duty to execute securities transactions at advantageous prices and at competitive commission rates;

- (2) Aggregated orders will be executed only after order tickets have been received by the trading desk specifying the participating accounts and the number or percentage of shares to be allocated among the various accounts (“allocation statement”);
- (3) Each client portfolio that participates in an aggregated order will generally participate at the average share price for the securities in the same aggregate transaction on a given business day, with all transaction costs shared pro rata based on each client’s participation in the transaction;
- (4) If an aggregated order cannot be filled completely, allocation among orders will be made pro rata based on the allocation statement;
- (5) Atlanta Capital will receive no additional compensation or remuneration of any kind as a result of aggregating orders.

Atlanta Capital’s trading desk may depart from the above procedures if, in the exercise of its reasonable judgment, it determines that such a departure is in the client’s interests taken as a whole. Atlanta Capital has adopted policies and procedures to provide for non-pro rata allocations. Factors considered include: the fact that a client has specialized investment policies, objective and restrictions that coincide with the particulars of a specific offering; the relative size of a client’s portfolio holdings of the same or similar investments; the relative size of a client’s assets under management by the department relative to the assets under management of other clients participating in the aggregated order; the percentage of un-invested cash of certain clients compared to other clients; and the allocation is to be so de minimis that such an investment would provide no material benefit to the client and/or present difficulty in effecting an advantageous disposition. All non-pro rata allocations are reviewed by the TMOC on a quarterly basis. As a result of such allocations, there may be instances when a client’s account does not participate in a transaction that is allocated among other clients. In some instances, in order to satisfy client directed brokerage requests, part of an aggregated transaction may be “stepped out” to a client directed broker by the executing broker at the same execution price.

#### Affiliated Transactions

As detailed in Item 4, Atlanta Capital will become an affiliate of Morgan Stanley and its broker-dealer subsidiaries (the MS BDs) upon the close of the Morgan Stanley Acquisition. Historically, Atlanta Capital has traded often with MS BDs on behalf of clients. As affiliates, transactions Atlanta Capital enters into with MS BDs will be subject to certain requirements detailed herein. In the event the merger does not close, Atlanta Capital and the MS BDs will not be considered affiliates and any references to the MS BDs below will not be applicable.

Any transaction Atlanta Capital enters into with an affiliated MS BD, including, but not limited to those transactions described below, will be done in compliance with applicable laws, rules, and regulations; will be subject to any restrictions contained in a client’s agreement with Atlanta Capital; will be subject to Atlanta Capital’s duty to seek best execution; and, will comply with any applicable Atlanta Capital policies and procedures; and will not be done without any required client consent.

Atlanta Capital does not act as a principal or broker in connection with client transactions. If Atlanta Capital, subject to its obligation to seek best execution, enters into a client transaction with an affiliated MS BD in which the MS BD will be acting as principal, Atlanta Capital will have to comply with all disclosure and client consent requirements in accordance with the provisions of and rules under the Advisers Act.

Atlanta Capital will, from time to time, recommend or effect a transaction in new issues, initial or other public or private offerings of securities for which an MS BD is involved as a manager, underwriter, initial purchaser, or placement agent, subject to all disclosure and consent requirements. In certain transaction where Atlanta Capital purchases securities from an underwriter or placement agent other than an MS BD, an MS BD may still receive a benefit or fee if the MS BD is a member of a syndicate or selling group on the transaction.

Atlanta Capital will, from time to time, effect transactions through an MS BD on an agency basis. These transactions, including those in over-the-counter (OTC) securities, involve an MS BD acting as agent on the purchase and sale of any security from market participants. In an agency transaction, an MS BD will charge a commission on the transaction, but there is no mark up or mark down on the price of the security.

Atlanta Capital executes client transactions with broker-dealers that do not have their own clearing facilities or with which Atlanta Capital has not entered into a clearing agreement. In such situations, the broker-dealers may, including at the direction of Atlanta Capital, clear the transaction through an MS BD. MS BDs will, in certain situations, receive a clearing fee for these transactions.

Finally, from time to time, Atlanta Capital will enter into an “agency cross transaction” where an MS BD acts as agent for both the buyer and seller in the transaction. In an agency cross transaction, the MS BD will receive a commission from the buyer and seller under certain conditions. In effecting an agency cross transaction, Atlanta Capital has potentially conflicting divisions of loyalties and responsibilities regarding the parties to the transaction. Unless provided blanket written consent in accordance with the Advisers Act, Atlanta Capital will be required to obtain client consent on a case-by-case basis to effect an agency cross transaction.

If Atlanta Capital is a fiduciary to a client under ERISA, Atlanta Capital will only effect trades with an MS BD on an agency basis and only upon prior receipt of written approval from an independent fiduciary in accordance with the terms of exemptions available from the Department of Labor.

#### Cross Trades

In certain circumstances, and separate from agency cross transactions described above, Atlanta Capital may deem it advisable and appropriate to sell securities held in one client account managed by Atlanta Capital or its affiliates to another client account managed by Atlanta



Capital or its affiliates (a “Cross Trade”). These circumstances may include Cross Trades among separately managed accounts to facilitate tax loss harvesting.

Cross Trades present an inherent conflict of interest because Atlanta Capital acts on behalf of both the selling account and the buying account in the same transaction. As a result, the use of Cross Trades could result in more favorable treatment of one client over the other. Additionally, there is a risk that the price at which a cross trade is executed may not be as favorable as the price available in the open market. To address these risks, Atlanta Capital’s policy is to engage in a Cross Trade only if it believes that the Cross Trade is appropriate based on each client’s investment objectives and guidelines, is in the best interest of each client, and is consistent with its fiduciary duty to each client (including the duty to seek best execution). Atlanta Capital has established policies and procedures designed to ensure that: the price used in a Cross Trade is fair and appropriate, relying on independent dealer bids or quotes, or information obtained from recognized pricing services, depending on the type of security and other circumstances of the Cross Trade; Atlanta Capital has any required client permission before executing the Cross Trade; and, such Cross trade is permissible under applicable law or regulation, among other factors. Where a Cross Trade involves an EV Registered Fund or third party registered investment company, Atlanta Capital will follow the relevant fund’s procedures adopted pursuant to Rule 17a-7 under the Investment Company Act. Cross Trades have historically been done between Funds, but Atlanta Capital may deem a Cross Trade between a Fund and a non-Fund client account, or between non-Fund client accounts to be appropriate in the future. For regulatory, legal or other reasons, Atlanta Capital may not execute Cross Trades for certain clients, such as ERISA clients, which could disadvantage those clients as compared to clients for whom Atlanta Capital is eligible to execute Cross Trades.

#### Trade Errors

On occasion, Atlanta Capital may make an error in executing securities transactions for a client account. For example, a security may be erroneously purchased for the account instead of sold, or a trade may be entered for an incorrect number of shares. In these situations, Atlanta Capital generally seeks to rectify the error by placing the fund or account in a similar position as it would have been if there had been no error. Depending on the circumstances, and subject to applicable legal and contractual requirements, various corrective steps may be taken, including canceling the trade, correcting an allocation, or taking the trade into Atlanta Capital’s trade error account and reimbursing the client account.

#### Wrap Fee and Model Delivery Programs

Atlanta Capital acts as an investment manager in certain wrap fee programs. While Atlanta Capital may have discretion to select broker-dealers other than the wrap fee program sponsor to execute trades for program clients, trades will generally be executed through the financial institution sponsoring the program or a broker-dealer specified by the client. Atlanta Capital endeavors to treat all wrap fee accounts fairly and equitably over time in the execution of client orders. Depending on such factors as the size of the order, and the type and availability of a security, orders for such programs may be executed throughout the day. When orders are placed with broker/dealers, such trades may experience sequencing delays and market impact

costs, which the firm will attempt to minimize. When appropriate, trade rotation among wrap fee programs accounts will be determined in accordance with Atlanta Capital's policy to treat all wrap fee program client accounts fairly and equitably over time.

In addition, when acting as an investment adviser or sub-adviser in certain model delivery programs, Atlanta Capital acts as a non-discretionary investment adviser presenting a model portfolio to the model program's adviser that is responsible for execution, client reporting and other aspects of model program client services. Certain model program relationships may receive Atlanta Capital model changes only after the completion of trading across all discretionary account relationships as determined and disclosed in the model program contract. Other model programs may be included in the trade rotation with institutional and wrap fee programs, coordinated and monitored by the Atlanta Capital's institutional trading desk.

Trading in wrap fee programs and certain model programs is coordinated by Atlanta Capital's institutional trading desk, however, as a result of the potential trading restrictions inherent in directed trading arrangements (as discussed in more detail above under the limitation on trading authority section), wrap fee program and model fee program accounts may pay more or receive less for a security than non-wrap, non-model, or non-directed accounts. The inclusion of wrap fee program and model program accounts in the Atlanta Capital trade rotation may result in Atlanta Capital competing against the trading desk of a sponsoring broker-dealer when implementing buy and sell transactions. The Atlanta Capital institutional trading desk (working in conjunction with the portfolio management teams) will attempt to minimize the impact of such simultaneous trading based on its prior experience and expertise in trading particular issues and prior assessment of the trading capabilities of the various wrap fee program or model program sponsor trading desks.

### **Item 13 - Review of Accounts**

The frequency and nature of the review of client accounts, and the factors that may trigger reviews can vary widely, depending upon the client's investment objectives and circumstances and upon the complexity, portfolio structure and size of an account. The portfolio management team for each investment product or strategy managed by Atlanta Capital is responsible for monitoring and managing all accounts within that style. At least quarterly, portfolios are reviewed by the portfolio managers and client service professionals assigned to each client for conformity to Atlanta Capital investment policies and adherence to clients' investment guidelines and restrictions. However, interim reviews of varying degrees may be triggered by numerous factors, such as significant equity price or interest rate changes; new economic forecasts; investment policy changes by Atlanta Capital; asset additions to the portfolio by the client; and/or changes in a client's objectives, instructions or circumstances.

The members of the portfolio management teams have additional responsibilities in fundamental research, client service, or management of the firm. Client service professionals also have responsibilities in new business development. Numbers of accounts reviewed by each portfolio management team vary depending upon the number of clients invested in each style. The number of accounts assigned to client service professionals vary depending upon an individual's other responsibilities within Atlanta Capital or upon the complexity, size, discretion level or other circumstances of the particular client accounts involved.

For wrap fee program accounts, the program sponsors representative generally will review the account with the client, although the client may be able to communicate directly with Atlanta Capital personnel. The portfolio assistants ("PA's") assigned to the account or wrap fee program sponsor review each account at least monthly for conformity with our investment policy and adherence to clients' investment guidelines and restrictions. The number of accounts assigned to each PA varies upon the complexity, size, discretion level or other circumstances of the particular account or wrap fee program involved.

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

Atlanta Capital is not provided an economic benefit for providing investment advice or other advisory services to clients by anyone who is not a client or affiliate of Atlanta Capital.

Atlanta Capital compensates certain marketing and client service employees through bonus payments which may be calculated as a percentage of any management fees generated by such accounts. These percentages are determined in advance per agreement with each employee.

Additionally, Atlanta Capital indirectly (through intercompany allocations) compensates certain employee representatives of EVD for the active marketing and support of Atlanta Capital investment products through numerous separately managed account and model/UMA programs. Such compensation may include commissions calculated as a percentage of any management fees generated or as a percentage of assets under management. In addition, Atlanta Capital compensates certain outside consultants to assist Atlanta Capital in providing client service related activities to specifically identified clients. Such consultants are compensated based on a fixed daily fee for service and are not compensated for client referrals and are prohibited from participation in client solicitation activities. Atlanta Capital does not directly or indirectly compensate any person for client referrals who is not a supervised person of Atlanta Capital or of an affiliated company.

Atlanta Capital policy prohibits the payment of client commissions or directing trades to compensate broker-dealers for the amount of actual or prospective new sales or referrals including the direction of brokerage as compensation for the sale or promotion of mutual funds for which Atlanta Capital serves as a sub-advisor.

## **Item 15 - Custody**

Atlanta Capital is deemed to have custody of client assets in situations where it can deduct advisory fees from custodian accounts. Atlanta Capital has a reasonable basis to believe such accounts receive a custodian statement on at least a quarterly basis, as required under the Advisers Act.

Client assets are currently maintained by unaffiliated qualified custodians. However, upon the closing of the Morgan Stanley Acquisition, Atlanta Capital will become affiliated with Morgan Stanley Smith Barney LLC (MSSB). If MSSB acts as a qualified custodian of certain client accounts, Atlanta Capital will generally be deemed to have “custody” of the fund and securities held in such accounts as well, and will comply with the custody requirements under the Advisers Act.

Certain separate account client’s custody agreement with third party custodians, of which Atlanta Capital is not a party to, may grant Atlanta Capital powers which may be interpreted as granting Atlanta Capital custody over the client assets. Atlanta Capital expressly disclaims and rejects such authority in order to avoid being deemed to have custody over such assets.

Clients generally receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains custody of client assets. Clients are encouraged to carefully review such statements and to compare such official custodial records to the account statements that Atlanta Capital may provide to clients or their advisers. Atlanta Capital statements may vary occasionally from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

## **Item 16 - Investment Discretion**

Atlanta Capital ordinarily manages client accounts on a discretionary basis and receives discretionary authority from the client at the outset of an advisory relationship. In all cases, such discretion is to be exercised in a manner consistent with the stated investment objectives, policies, limitations and restrictions for the particular client account. A client may, with Atlanta Capital's consent, impose limited restrictions on investments in certain securities or types of securities in its account. These limitations or restrictions are negotiated individually with each client at the time the investment advisory agreement is signed, and may be modified by the client by notifying Atlanta Capital in writing. Atlanta Capital may be unable to accommodate certain investment limitations or restrictions sought by a client.

For registered investment companies (including EV Funds), Atlanta Capital is subject to any applicable investment restrictions adopted by the Funds, as well as the ongoing oversight of each Fund's Board of Trustees or other governing body as applicable.

## **Item 17 - Voting Client Securities**

Atlanta Capital has adopted proxy voting policies and procedures (the “Policies”) with respect to the voting of proxies on behalf of all clients for which Atlanta Capital has voting responsibility. Atlanta manages its clients’ assets with the overriding goal of seeking to provide the greatest possible return to clients consistent with governing laws and the investment policies of each client. When charged with the responsibility to vote proxies on behalf of its clients, Atlanta Capital seeks to exercise its clients’ rights as shareholders of voting securities to support sound corporate governance of the companies issuing those securities with the principal aim of maintaining or enhancing the companies’ economic value. Upon client authorization, Atlanta Capital may vote proxies in accordance with individual client proxy-voting policies; such direction may be limited to specific corporate governance issues or may include a broad proxy-voting policy. Atlanta Capital may agree to vote client proxies in accordance with a third-party’s voting guidelines where such information is available to Atlanta Capital.

### **Proxy Voting Administrator**

Atlanta Capital has appointed a Proxy Administrator within the firm to assist in the coordination of the voting of each client’s proxy in accordance with the Guidelines and the Policies. Atlanta Capital also has assigned a senior portfolio manager to assist in the review of the Proxy Voting Service’s recommendations when a proxy voting issue has been referred back to Atlanta Capital’s Proxy Administrator. These individuals in consultation with the CCO and our investment team develops Atlanta Capital’s positions on all major corporate issues, creates the Guidelines and oversees the proxy voting process.

The Proxy Administrator will maintain a record of all proxy questions that have been referred by the Proxy Voting Service, all applicable recommendations, analysis and research received and any resolution of the matter. In situations where the Proxy Voting Service refers a proxy question to the Proxy Administrator and the Proxy Administrator recommends that the client vote contrary to the Guidelines, the Proxy Administrator will consult with the Atlanta Capital Chief Compliance Officer.

### **Voting and Use of Proxy Voting Service**

The Policies are designed to promote accountability of a company’s management to its shareholders and to align the interests of management with those shareholders. When charged with the responsibility to vote proxies on behalf of its clients, Atlanta will generally vote such proxies through an independent, unaffiliated third-party voting service (“Proxy Voting Service”) in accordance with customized policies (“Guidelines”), and with respect to proxies referred back to Atlanta Capital by the Proxy Voting Service pursuant to the Policies, in a manner that is reasonably designed to eliminate any potential conflicts of interest. The Proxy Voting Service currently is Institutional Shareholder Services; The Proxy Voting Service is responsible for coordinating with the clients’ custodians to ensure that all proxy materials received by the custodians relating to the clients’ portfolio securities are processed in a timely fashion. In

addition, the Proxy Voting Service is responsible for maintaining copies of all proxy statements received by issuers and to promptly provide such materials to Atlanta Capital upon request.

The Proxy Voting Service is required to establish and maintain adequate internal controls and policies in connection with the provision of proxy voting services to Atlanta Capital, including methods to reasonably ensure that its analysis and recommendations are not influenced by a conflict of interest. The Guidelines include voting guidelines for matters relating to, among other things, the election of directors, approval of independent auditors, executive compensation, corporate structure and anti-takeover defenses. Atlanta Capital may abstain from voting from time to time where it determines that the costs associated with voting a proxy outweigh the benefits derived from exercising the right to vote. The Proxy Voting Service will refer proxies to the Proxy Administrator for instructions under circumstances where:

- (1) the application of the Guidelines is unclear
- (2) a particular proxy question is not covered by the Guidelines
- (3) the Guidelines require input from Atlanta Capital.

The Proxy Administrator solicits feedback from Atlanta Capital investment professionals and/or the Chief Compliance Officer (“CCO”) as required.

#### Conflicts of Interest

Atlanta Capital will monitor situations that may result in a conflict of interest between any of its clients and Atlanta Capital or any of its affiliates by maintaining a list of significant existing and prospective corporate clients. The Proxy Administrator will report any proxy received or expected to be received from a company included on that list to the CCO and members of senior management of Atlanta Capital identified in the Policies. Such members of senior management will determine if a conflict exists. If a conflict does exist, the proxy will either be voted strictly in accordance with the Policy or Atlanta Capital will seek instruction on how to vote from the client (or its agent).

Clients may obtain a complete copy of the Policy by contacting Proxy Support at (404) 876-9411. Information on how Atlanta Capital voted on proxies related to securities held in client accounts may be obtained by contacting Proxy Support at (404) 876-9411.



## **Item 18 - Financial Information**

Registered investment advisers are required in this Item to provide certain financial information or disclosures about their financial condition. Atlanta Capital has no financial commitments that impair its ability to meet its contractual and fiduciary commitments to clients and has not been the subject of any bankruptcy proceedings.

**Item 19 - Requirements for State-Registered Advisers**

Atlanta Capital is not currently registered with any state securities authority.

## Privacy Notice

Atlanta Capital Management Company, L.L.C. (“Atlanta Capital”) is committed to ensuring your financial privacy. Atlanta Capital has adopted privacy policy and procedures (“Privacy Program”) Atlanta Capital believes is reasonably designed to protect your personal information and to govern when and with whom Atlanta Capital may share your personal information.

- At the time of opening an account, Atlanta Capital generally requires you to provide us with certain information such as name, address, social security number, tax status, account numbers, and account balances. This information is necessary for us to both open an account for you and to allow us to satisfy legal requirements such as applicable anti-money laundering reviews and know-your-customer requirements.
- On an ongoing basis, in the normal course of servicing your account, Atlanta Capital may share your information with unaffiliated third parties that perform various services for Atlanta Capital and/or your account. These third parties include transfer agents, custodians, broker/dealers and our professional advisers including auditors, accountants, and legal counsel. Atlanta Capital may share your personal information with our affiliates. Atlanta Capital may also share your information as required or permitted by applicable law.
- We have adopted a Privacy Program we believe is reasonably designed to protect the confidentiality of your information and to prevent unauthorized access to your information.
- We reserve the right to change our Privacy Program at any time upon proper notification to you. You may want to review our Privacy Program periodically for changes by accessing the link on our homepage: [www.atlcap.com](http://www.atlcap.com).

This notice supersedes all previously issued privacy disclosures.

For more information about Atlanta Capital’s Privacy Program or about how your personal information may be used, please call 1-404-876-9411.

Dated: January 1, 2021