



Form ADV Part 2A

Popular Asset Management LLC

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This brochure provides information about the qualifications and business practices of Popular Asset Management LLC. If you have any questions about the contents of this brochure or would like a copy, please contact our Chief Compliance Officer, Jose A. Chang or jose.chang@popular.com. Information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

Additional information about Popular Asset Management LLC is also available on the SEC's website at <https://adviserinfo.sec.gov/>. Our unique identifying number, known as a CRD number, is 313653.

Popular Asset Management LLC is an investment adviser registered with the SEC. Registration of an investment adviser does not imply any level of skill or training.

Material Changes - Item 2

We are updating our initial filing to disclose that the registration of the Popular Funds and the Puerto Rico Residents Tax Free Family of Funds (“The Funds”) under the 1933 Act is currently pending with the SEC and as a result all Fund subscriptions have been suspended until the registration is finalized.

We are further updating our initial filing to disclose that a related party has custody of some client assets.

We may, at any time, update this Brochure and either send a copy or a summary of the significant updates (either by electronic means (email) if you have agreed to receive electronic communications from us or in hard copy form).

If you would like another copy of this Brochure, it may be downloaded from the SEC website referenced on the cover page.

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Advisory Business – Item 4

Popular Asset Management LLC (“Popular Asset Management” or “PAM”) is a directly and wholly owned subsidiary of Popular, Inc., a diversified financial holding company registered under the Bank Holding Company Act of 1956, as amended, and subject to the supervision and regulation of the Board of Governors of the Federal Reserve System. Popular, Inc. is the sole owner of PAM. Popular, Inc. is a public company with no individual shareholder owning 25% or more of its shares.

PAM is also an affiliated entity of Banco Popular de Puerto Rico (“Banco Popular”) and Popular Securities LLC (“Popular Securities”). Banco Popular is Puerto Rico’s largest commercial bank with consolidated total assets of approximately \$55.2 billion as of December 31, 2021. Popular Securities is a broker-dealer and investment adviser member of the Financial Industry Regulatory Authority (“FINRA”) offering investment services to retail customers.

When we use the terms “we,” “us” and “our” in this brochure, we are referring to Popular Asset Management and the internal groups that support PAM. In addition, any references to “our employees” or “our officers” mean PAM officers or employees who work in the functional groups.

Popular Asset Management provides investment advice to three open-end mutual funds which are commonly known as the “Popular Family of Funds” (“Popular Funds”), seven closed-end mutual funds which are commonly known as the “Puerto Rico Residents Tax Free Family of Funds” (“PRRTFF Funds”) and collectively with the Popular Funds, the “Funds”) and separate accounts for several institutions. When referring to both the Funds and separately managed accounts, we use “accounts, portfolios or clients”. We also provide consulting services to retirement plans and pension plans based in Puerto Rico.

The Popular Funds and the PRRTFF Funds were previously registered investment companies under the Puerto Rico Investment Company Act of 1954. In 2018, the Economic Growth, Regulatory Relief and Consumer Protection Act was signed into law, which among other things, amended the Investment Company Act of 1940, as amended (the “1940 Act”) to revoke the exemption that had previously been granted to investment companies created under the laws of Puerto Rico, the U.S. Virgin Islands, or any other U.S. possession from the registration requirements of the 1940 Act effective May 24, 2021. As a result, the Funds have each filed a notification of registration under the 1940 Act, which respectively became effective on May 21, 2021, and a draft registration statement under the Securities Act of 1933, which respectively as of March 15, 2022, have not yet been declared effective.

In open-end funds, investors can continually buy and redeem shares by adding or withdrawing their money from the funds and there is no limit to the number of shares that can be issued. Open-end funds are required to periodically establish a price for their shares, called the net asset value per share, or “NAV”. The NAV is the market value of all the assets of the funds minus its liabilities divided by the number of shares outstanding. Open-end funds are obligated to issue (sell) and redeem (buy) shares at their current NAV.

Open-end funds typically have distribution and service fees (12b-1 fees), which include fees for marketing and selling fund shares, such as compensation to PAM's affiliated financial advisors who sell fund shares, and paying for the advertising, printing, and mailing of prospectuses and sales literature to new investors.

Closed-end funds, on the other hand, issue a fixed number of shares to raise capital, similar to selling stock in an initial public offering (IPO). After the initial public offering, the shares of the closed-end funds are traded in the secondary market between investors. Unlike closed-end funds that are typically issued in the United States these closed-end funds are not listed on any exchange. Additionally, there is a limited secondary market and as a result, investors in closed-end funds may not be able to sell their shares as easily as shares that are traded on an exchange. Therefore, investors in closed-end funds should generally hold these shares only as a long-term investment and not for purposes of active trading.

The descriptions of advisory services and other items of information in this Brochure below are generally organized under headings naming the category of client.

The Popular Funds

PAM is responsible for implementing the investment objectives and strategies of the Popular Funds. We are also responsible for the larger strategic investment decisions such as determining the Popular Funds' investment style and asset allocation targets. Day-to-day security selection is generally performed by the portfolio manager of the individual fund. We regularly report to the Board of Directors of each of the Popular Funds regarding each Fund's investment performance and compliance with various policies and procedures established to assist in managing the Popular Funds.

Popular Total Return Fund, Inc.

PAM serves as investment adviser to the Popular Total Return Fund, Inc. ("PF-TRF"). The investment objective is long-term capital appreciation. Current income is the secondary objective. The PF-TRF invests primarily in equity securities, consisting mainly of Exchange-Traded Funds (ETFs).

Popular High Grade Fixed-Income Fund, Inc.

PAM serves as investment adviser to the Popular High Grade Fixed-Income Fund, Inc. ("PF-HGF"). The investment objective of the PF-HGF is to provide a high level of current income that is consistent with the preservation of capital. The PF-HGF will normally invest at least 90% of its assets in securities within the highest rating category by one or more nationally recognized statistical rating organizations. The Fund intends to increase the amounts available for investment through borrowings, which subject to certain exceptions shall not at any time exceed 33 1/3% of the Fund's total assets.

Popular Income Plus Fund, Inc.

PAM serves as investment adviser to the Popular Income Plus Funds, Inc. (“PF-IPF”). The investment objective of the PF-IPF is to provide a high level of current income. The PF-IPF will invest 95% of its assets in fixed income securities within the four highest rating categories of one or more nationally recognized statistical rating organizations. At least 67% of the assets will be invested in securities issued by Puerto Rico issuers. The Fund intends to increase the amounts available for investment through borrowings, which subject to certain exceptions shall not at any time exceed 33 1/3% of the Fund’s total assets.

PRRTFF Funds

The PRRTFF Funds are co-managed by PAM and UBS Asset Managers of Puerto Rico, a division of UBS Trust Company of Puerto Rico (“UBS”). PAM and UBS are co-investment advisers to the PRRTFF Funds. We, in conjunction with UBS, are responsible for implementing the investment objectives and strategies of the PRRTFF Funds. Jointly, we are also responsible for the larger strategic investment decisions such as determining the PRRTFF Funds’ style and asset allocation targets. All Investment decisions including security selection are jointly approved by both PAM and UBS. The PRRTFF Funds intend to increase the amounts available for investment through borrowings, which subject to certain exceptions shall not at any time exceed 33 1/3% of the PRRTFF Funds’ total assets.

Puerto Rico Residents Bond Fund I

PAM serves as co-investment manager to the Puerto Rico Residents Bond Fund I (“PRRBF”). The investment objective of the PRRBF is to achieve a high level of tax-advantaged current income, consistent with the preservation of capital for its shareholders.

Puerto Rico Residents Tax-Free Fund, Inc., and Puerto Rico Tax-Free Residents Tax-Free Funds II, III, IV, V, and VI, Inc. (the “Tax Free Funds”)

PAM serves as co-investment manager to each of the Tax-Free Funds. Each Tax Free Fund’s investment objective is to achieve a high level of current income that, for Puerto Rico residents, is exempt from Federal and Puerto Rico income taxes, consistent with the preservation of capital for its shareholders.

Separately Managed Accounts

We also manage separate accounts for institutions with fixed income, equity and Exchange Traded Fund (ETF) investment strategies. The PAM managed or co-managed Funds are not used as an investment vehicle within the Separately Managed Accounts.

Assets Under Management (AUM)

As of December 31, 2021, we had the following assets under management:

Discretionary	\$799,600,000
Non-Discretionary	\$1,490,000,000
Total AUM	\$2,289,600,000

Other Investment Advisory Services

Consulting Services

PAM is also an advisor to its affiliate, Banco Popular, with respect to various consulting services provided by Banco Popular through its fiduciary services division to retirement and trust accounts. In this capacity, PAM provides general consulting or investment consulting services. General consulting includes services such as attending investment committee meetings, creating and reviewing quarterly reports, providing input to model portfolios, etc. Investment consulting includes asset allocation recommendations, trade implementation, performance reporting, presentations to plan sponsors and Investment Policy Statement review.

Fees and Compensation – Item 5

The Funds

PAM receives an investment advisory fee for its continued management of the Funds.

Advisory Fees

Name of Fund	Annual Investment Management Fee
Popular Total Return Fund	0.50% as a percentage charged of the Fund's average daily net assets.
Popular High Grade Fixed Income	0.50% as a percentage charged of the Fund's average daily total assets.
Popular Income Plus	0.50% as a percentage charged of the Fund's average daily total assets.

Name of Fund	Annual Investment Management Fee
Puerto Rico Residents Bond Fund I	0.60% as a percentage of the Fund's average weekly total assets.

Puerto Rico Residents Tax-Free Fund, Inc.	1.00% as a percentage of the Fund's average weekly net assets plus leverage.
Puerto Rico Residents Tax-Free Fund II, Inc. and Funds III, IV and V	0.75% as a percentage of the Fund's average weekly net assets plus leverage.
Puerto Rico Residents Tax-Free Fund VI, Inc.	0.75% as a percentage of the Fund's average weekly total assets.

Separately Managed Accounts

Clients engaging us to manage their accounts separately have negotiated fees on a case-by-case basis. Fees paid by clients vary based on the type of advice provided and other factors such as account size, the relationship with the client (including whether the client is an affiliate or has a relationship with one of our affiliates) or a client's consultant and the required nature and level of service. Fees will also differ based on account type. Since fees are negotiable, clients with similar investment objectives or strategies may pay different fees. We do not discriminate the quality or level of service we provide based on the fees the client pays.

All such fees are based on assets under management and are charged either in advance or arrears as the client has requested. Fees are charged quarterly at $\frac{1}{4}$ of the annual fee rate based on the valuation of the account as reported by the account custodian or the Wilshire Abacus Accounting System at the close of each quarter.

Other Fees and Expenses

Advisory fees paid to PAM for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and ETFs to their shareholders. In the case of the Funds, these fees and expenses are set forth in the prospectuses of those investment companies, paid by the investment companies but ultimately borne by clients, including 12b-1 fees. These fees will generally include a management fee, other fund expenses, and possibly a distribution fee. The Funds will also incur transaction charges, administrative, custodial, and/or brokerage fees when purchasing or selling securities and 12b-1 fees. Lastly, in the case of fixed income Funds (i.e., all the Funds except for the Popular Total Return Fund), the Funds will also incur interest and leverage expenses.

Other Compensation

Generally, PAM receives a fixed percentage fee over assets per account for its consulting services which are negotiated on a client- by- client basis. Additionally, there are certain accounts whereby, PAM receives a fixed fee for its consulting services. Such fees for consulting services may be paid to PAM by its affiliate Banco Popular.

Referral/Solicitation Compensation

PAM does not currently engage any solicitors but in the future may have arrangements where it will compensate, either directly or indirectly, affiliated and/or unaffiliated solicitors that are not registered investment advisors, for referrals for the portfolios we manage. The manner and amount of compensation would typically be negotiated on a case by-case basis. We do not currently have any solicitation arrangements.

Payment of Fees

PAM receives investment advisory fees from the Funds on a monthly basis.

Performance-Based Fees and Side-by-Side Management – Item 6

We do not charge any performance-based fees; therefore, we do not have any side-by-side management arrangements.

Types of Clients – Item 7

Popular Asset Management provides investment services to the Funds.

Additionally, clients of our separately managed accounts and our consulting service are other institutional entities.

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

Methods of Analysis. PAM uses a variety of methods of analysis in connection with our investment decisions, including fundamental, quantitative, qualitative, technical, cyclical, factor-based, credit and macro-economic analysis. The investment strategies that we offer include equity and fixed income-oriented strategies. Our strategies invest in a wide variety of financial instruments, bonds and other debt securities, and derivatives such as stock index futures and swaps. These investments include, among others, Exchange Traded Funds, U.S. and non-U.S. equity and fixed income securities and currencies, securities issued by small, medium and large capitalization companies and liquid and illiquid investments. The paragraphs below include a discussion of the material risks associated with our strategies and investments. This Brochure does not include every potential risk. Other detailed risk-related information about the Funds can be found in each Fund's disclosure document (e.g., prospectus).

Investing in securities and other financial instruments involves investment and related risks. All of the investment strategies and associated products and services offered by PAM present the risk of loss of value, and investors should be prepared to bear this risk. There can be no guarantee of any particular level of performance with respect to any strategy, product or service offered by PAM. Security and account values can decline for any number of reasons, including those that relate to the particular

issuer of the security, as well as those that relate to the broader equity, bond or other financial markets and/or general economic conditions. Stock (equity) markets can be volatile, and fixed income (debt) investments fluctuate in value in response to interest rate changes, among other things.

Following are the primary risks for each Fund. Separately managed account risks vary according to their investment objective.

Name of Fund	Primary Risks
Popular Total Return Fund	<ul style="list-style-type: none"> • Investment Risk • Market Risk • Investments in ETFs Risk • Foreign Securities Risk • Non-Diversified Status Risk • Tax Risk
Popular High Grade Fixed Income Fund	<ul style="list-style-type: none"> • Investment Risk • Market Risk • Puerto Rico Risk • Non-diversified Status Risk • Derivatives Risk • Leverage Risk • Tax Risk • Mortgage-Backed Securities Risk
Popular Income Plus Fund	<ul style="list-style-type: none"> • Investment Risk • Market Risk • Puerto Rico Risk • Non-Diversified Status Risk • Derivatives Risk • Leverage Risk • Tax Risk • Mortgage-Backed Securities Risk
Puerto Rico Residents Bond Fund I	<ul style="list-style-type: none"> • Investment Risk • Market Risk • Non-Diversified Status Risk • Puerto Rico Risk • Derivatives Risk • Leverage Risk • Tax Risk • Liquidity Risk

Puerto Rico Residents Tax-Free Fund, Inc.	<ul style="list-style-type: none"> • Investment Risk • Market Risk • Non-Diversified Status Risk • Puerto Rico Risk • Derivatives Risk • Leverage Risk • Tax Risk • Liquidity Risk
Puerto Rico Residents Tax-Free Fund II, Inc.	<ul style="list-style-type: none"> • Investment Risk • Market Risk • Non-Diversified Status Risk • Puerto Rico Risk • Derivatives Risk • Leverage Risk • Tax Risk • Liquidity Risk
Puerto Rico Residents Tax-Free Fund III, Inc.	<ul style="list-style-type: none"> • Investment Risk • Market Risk • Non-Diversified Status Risk • Puerto Rico Risk • Derivatives Risk • Leverage Risk • Tax Risk • Liquidity Risk
Puerto Rico Residents Tax-Free Fund IV, Inc.	<ul style="list-style-type: none"> • Investment Risk • Market Risk • Non-Diversified Status Risk • Puerto Rico Risk • Derivatives Risk • Leverage Risk • Tax Risk • Liquidity Risk
Puerto Rico Residents Tax-Free Fund V, Inc.	<ul style="list-style-type: none"> • Investment Risk • Market Risk • Non-Diversified Status Risk • Puerto Rico Risk • Derivatives Risk • Leverage Risk

	<ul style="list-style-type: none"> • Tax Risk • Liquidity Risk
Puerto Rico Residents Tax-Free Fund VI, Inc.	<ul style="list-style-type: none"> • Investment Risk • Market Risk • Non-Diversified Status Risk • Puerto Rico Risk • Derivatives Risk • Leverage Risk • Tax Risk • Liquidity Risk

Primary Risks Associated with Our Methodology and Strategies

Investment Risk. There can be no assurance that the Funds or separate accounts will achieve their investment objectives. The ability of the Funds or separate accounts to achieve their investment objectives depends on a number of factors, including, but not limited to, PAM's judgment of market risk, credit risk, regulatory risk, liquidity risk, etc. It is important to remember one of the main axioms of investing: higher risk, higher potential reward. The reverse, also, is generally true: the lower the risk, the lower the potential reward. Each potential investor or client should consider his/her personal tolerance for the daily fluctuations of the stock and fixed-income markets and view his/her investment in the Funds or separate accounts as part of an overall investment program.

Market Risk. The value of the Funds and separate accounts will go up and down with the prices of the securities in which they are invested. The prices of equity securities change in response to many factors including the historical and prospective earnings of the issuer, the value of its assets, general economic conditions, interest rates, investor perceptions and market liquidity. The values of debt securities and other fixed income securities in which the Funds or separate accounts invest also will be affected by market interest rates and the risk that the issuer may default on interest, principal or dividend payments. Specifically, since these types of securities pay fixed interest and dividends, their value may fall if market interest rates rise and rise if market interest rates fall. Additionally, an issuer may have the right to buy back certain of these securities at a time and at a price that is unfavorable to the Funds or separate accounts.

Investment in Exchange Traded Funds. Given that the Popular Total Return Fund invests, and a separate account may invest, a significant portion of its assets in equity securities (primarily shares of ETFs), an investment in the Fund or similarly positioned separate account is designed, and suitable for, long term investors. The prices of equity securities and the value of your investment in the Fund or separate account will increase or decrease in response to many factors, including prospective earnings, investors perception and general economic conditions. Before investing in a Fund or a separate account, prospective investors are encouraged to consult their own tax adviser with specific reference to their own tax situation to determine if such investment is suitable for them. Before

investing in a Fund, prospective investors or clients should also consider all other risk factors set forth under the “Principal Risks of Investing in the Fund” section of such Fund’s prospectus.

An investment in a Fund is not equivalent to an investment in the underlying assets held by the Fund because of the operational fees and expenses incurred by the Fund. ETFs invest in a portfolio of securities that are designed to closely track the price and yield performance of different market indices or segments. However, such funds will never be able to do so exactly because of operational fees and expenses incurred by the fund or because of the temporary unavailability of certain of the securities underlying the index. Investors should also be aware that by investing in a Fund, they in effect, incur the costs of two levels of investment management services, (1) the services provided by PAM to the Fund and (2) the services provided by the managers or advisers of the various funds in which the Fund invests.

Foreign Securities Risk. The Funds may invest in foreign securities. Securities of foreign issuers have additional risks, including exchange rate changes, political and economic upheaval, the relative lack of information about these companies, relatively low market liquidity and the potential lack of strict financial and accounting controls and standards.

Non-Diversified Status. As non-diversified funds, each Fund invests a relatively high percentage of its assets in a small number of issuers. As non-diversified funds, the value of the Funds are therefore, more susceptible to losses related to any single economic, political or regulatory occurrence than the value of shares of more widely diversified funds.

Tax Risk. The Funds operate in a manner that allow them to be exempt from Puerto Rico Income and Municipal License Tax under the Puerto Rico Code and Puerto Rico Municipal Code. The Funds must meet certain regulatory requirement such as being organized in Puerto Rico and maintain its principal business in Puerto Rico. Should a Fund fail to continue to meet these requirements, it would be subject to certain taxes on taxable interest income and dividend income and thus lose its tax-exempt status.

Puerto Rico Risk. The assets of some of the Funds may normally be largely invested in the obligations of a limited number of issuers concentrated in one geographic location, Puerto Rico. For this reason, the Funds will be more susceptible to any single economic, political or regulatory occurrence than a more widely diversified fund.

Derivative Instruments. While a portion of the Funds’ assets may be invested in futures and options, PAM will seek to use these investments for hedging and not speculative purposes. Derivative instruments such as futures and options involve risks different from direct investing in underlying securities. These risks include imperfect correlation between the value of the instruments and the underlying asset; risks of default by the other party to certain transactions; risks that the transactions may incur losses that partially or completely offset gains in portfolio positions and risks that the transactions may not be liquid.

Leverage Risk. Some of the Funds managed by PAM may increase amounts available for investment through the issuance of debt securities (i.e., debt instruments of varying maturities, including commercial paper and short term and medium term notes and other forms of leverage such as Reverse Repurchase Agreements, representing not more than 33 1/3% of the Funds total assets after the issuance of the securities. The Funds may also borrow for temporary or emergency purposes. Such borrowings would create leverage and would entail speculative factors similar to those applicable to the issuance of debt securities and other forms of leverage.

Mortgage-Backed Securities Risk. Mortgage-backed securities have many of the risks of traditional debt securities but, in general, differ from investments in traditional debt securities in that, among other things, principal may be prepaid at any time due to prepayments by the obligors on the underlying obligations. As a result, the Funds may receive principal repayments on these securities earlier or later than anticipated by the Funds. In the event of prepayments that are received earlier than anticipated, the Funds may be required to reinvest such prepayments at rates that are lower than the anticipated yield of the prepaid obligation. The rate of prepayments is influenced by a variety of economic, geographic, demographic, and other factors, including, among others, prevailing mortgage interest rates, local and regional economic conditions, and homeowner mobility. Since a substantial portion of the assets of the Funds may be invested in mortgage-backed securities at any time, the Funds may be subject to these risks and other risks related to such securities to a significant degree, which might cause the market value of the Fund's investments to fluctuate more than otherwise would be the case.

Liquidity Risk. The Funds may also invest in illiquid securities which are securities that cannot be sold within a reasonable period of time, not to exceed seven days, in the ordinary course of business at approximately the amount at which the Funds have valued the securities. There presently are a limited number of participants in the market for certain Puerto Rico securities or other securities or assets that the Funds may own. That and other factors may cause certain securities to have periods of illiquidity. Illiquid securities may trade at a discount from comparable, more liquid investments.

Equity Market Risk. Our equity strategies involve investing in U.S. and non-U.S. stocks. Equity markets increase or decrease in value depending on fundamental, economic, political and other factors. Stock markets can be volatile and can sometimes move up or down rapidly and unpredictably. Regardless of how an individual company performs, its stock price can decrease if financial markets fall.

Interest Rate Risk. Debt securities can lose value because of interest rate changes. For example, debt securities tend to decrease in value if interest rates rise. Debt securities with longer maturities generally are more sensitive to interest rate changes than those with shorter maturities. In addition, short-term and long-term interest rates do not necessarily move in the same direction or by the same amount. Changes in interest rates can also cause certain types of debt obligations to become subject to prepayment risk or extension risk.

Other Risks Related to Our Business

Risks Related to Regulation. Laws and regulations affecting our business change from time to time, and we are currently operating in an environment of significant global regulatory reform. We cannot predict the effects, if any, of future legal and regulatory changes on our business or the services we provide.

Sanctions and Related Considerations. Economic sanction laws in the United States and other jurisdictions prohibit PAM, its personnel and accounts it manages from investing in or transacting with certain countries, companies and issuers.

Operational Risk. We rely heavily on our portfolio management, trading, financial, accounting and other data processing systems. Operational risks arising from failed processes and systems, human error or external events, as part of the trading lifecycle (execution, confirmation, and settlement) as well as other activities in support of our investment management services, may cause financial loss, disruption to our business, liability to clients or third parties, regulatory action, or reputational harm. An increase in the volume or complexity of client transactions could increase these risks.

Certain Risks Related to Cybersecurity and Technology. Investment advisers, including PAM must rely in part on digital and network technologies to conduct their businesses and to maintain substantial computerized data relating to our investment activities. These technologies include those owned or managed by us as well as those owned or managed by others, such as custodians, financial intermediaries, transfer agents, and other parties to which we or they outsource the provision of services or business operations.

Like all businesses that use computerized data, we and our affiliates and the systems we use may, under some circumstances, be subject to a variety of cybersecurity incidents or similar events that could potentially result in the inadvertent disclosure of data to unintended parties, or the intentional misappropriation or destruction of data by malicious hackers mounting an attack on computer systems. We and our affiliates have implemented and maintain an information technology security policy and program that includes certain technical and physical safeguards intended to protect the integrity, availability and confidentiality of the data we have and the systems that store it. We take other reasonable precautions to limit the potential for cybersecurity incidents, and to protect data from inadvertent disclosure or wrongful misappropriation or destruction.

Nevertheless, despite reasonable precautions, cybersecurity incidents could occur, and might in some circumstances result in unauthorized access to sensitive information about us or our clients. In addition, such incidents might cause damage to client accounts, data or systems or affect account management.

Furthermore, these systems may fail to operate properly or become disabled as a result of events or circumstances wholly or partly beyond our or others' control. Technology failures, whether deliberate or not, including those arising from use of third-party service providers or client usage of systems to access accounts, could have a material adverse effect on our business or our clients and could result

in, among other things, financial loss, reputational damage, regulatory penalties or the inability to transact business.

Natural Disaster/Public Health Risk. Natural or environmental disasters, such as earthquakes, fires, floods, hurricanes, tsunamis, and other severe weather-related phenomena generally, and widespread disease, including pandemics and epidemics, have been and can be highly disruptive to economies and markets, adversely impacting individual companies, sectors, industries, markets, currencies, interest and inflation rates, credit ratings, investor sentiment, and other factors affecting the value of the portfolio investments. Given the growing interdependence among global economies and markets, conditions in one country, market, or region are increasingly likely to adversely affect markets, issuers, and/or foreign exchange rates in other countries, including the U.S. These disruptions could interfere with PAM's ability to execute investment decisions in a timely manner and negatively impact a portfolio's ability to achieve its investment objectives. Any such event(s) could have a significant adverse impact on the value and risk profile of a client portfolio.

Risks Related to Conflicts of Interest

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

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

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

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

Disciplinary Information – Item 9

We are required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of our advisory business or the integrity of our management. Our firm has no disciplinary information to report.

Other Financial Industry Activities or Affiliations - Item 10

As discussed throughout this disclosure document, Popular Asset Management, provides investment advice to the Popular Funds, which are open-end mutual funds and the PRRTFF Funds which are closed-end mutual funds.

Our affiliate, Popular Securities, a registered securities broker-dealer and a member of FINRA is the distributor for the Popular Funds and may also recommend to their retail clients to purchase the Popular Funds. In the event, the PRRTFF Funds issue notes going forward, Popular Securities would be a distributor for the notes. This constitutes a conflict of interest because PAM will receive higher investment advisory fees based on the increased asset value of the Funds resulting therefrom.

The affiliated companies listed below, and their employees may also refer their clients to the affiliated broker-dealer Popular Securities for the purchase of investment products, including the Popular Funds and the PRRTFF Funds. For such referrals, the referring employee may receive a nominal payment. This payment is not contingent on the actual sale/purchase of an investment product under regulatory rules for investment products referral. The services provided by these affiliates are separate and distinct from our advisory services and are provided for separate and additional compensation. This constitutes a conflict of interest because PAM will receive higher investment management fees based on increased assets under management if referrals lead to sales from the entities below.

- Banco Popular de Puerto Rico: a banking institution offering banking related services in Puerto Rico, the US and British Virgin Islands.
- Popular Auto LLC: a leasing and auto loan company that also provides daily rental services.
- Popular Insurance LLC: a licensed insurance agency.
- Popular Risk Services LLC: a licensed insurance producer.

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

Code of Ethics

We maintain a Code of Ethics as required by applicable SEC rules. Our Code of Ethics requires employees to conduct business in an honest and forthright manner in accordance with the highest of ethical standards. In addition, the Code of Ethics requires employees to put our clients' interests ahead of our own and disclose actual and potential meaningful conflicts of interest. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, nonpublic information by persons associated with our firm.

The Code of Ethics incorporates our information barrier and personal securities trading policies that are described in greater detail below. Our employees are required to report any violation of the Code of Ethics promptly.

We will provide a copy of our Code of Ethics to our clients or prospective clients upon request.

PAM endeavors at all times to put the interest of our clients first. In order to comply with this general principle:

- we disclose the existence of all material conflicts of interest
- our firm's management conducts regular reviews of each Fund and separate account to verify that all recommendations made are in line with the Fund's or account's objectives and guidelines
- we require that our employees inform PAM of any outside business activity so that we may ensure that any conflicts of interests in such activities are properly addressed
- we periodically monitor these outside business activities to verify that any conflicts of interest continue to be properly addressed by our firm
- we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for investment advice provided.

Personal Securities Trading Policy

PAM maintains a personal securities trading policy that governs the trading activities of our employees as well as their household members and dependents. All PAM employees are considered access persons and subject to certain limited exceptions, employees are required by the standards to:

- report personal securities transactions and provide periodic statements to our compliance unit;
- pre-clear personal securities transactions (with limited exemptions) subject to a three-day black out period and a thirty-day holding requirement;
- maintain brokerage accounts only with our affiliate Banco Popular or Popular Securities; and
- upon commencement of becoming an access person, the access person must provide personal securities holdings reports and annually thereafter (no later than 60 days after the end of each calendar year) to compliance.

Our policy also prohibits the following transactions:

1. Inside Information. Securities Transactions by any person while in possession of material nonpublic information regarding the security or the issuer of the security.
2. Market Manipulation. Transactions intended to raise, lower, or maintain the price of any security, create a false appearance of active trading or improperly take advantage of certain inefficiencies in the market (i.e., market timing and late trading of investment company shares).
3. Initial Public Offerings.
4. Trading when there is a pending buy or sell order in the Funds or separate accounts.
5. Certain transactions in securities of Popular, Inc., including but not limited to naked options and short sales.

6. Futures not traded on an exchange.

Some additional personal transactions require pre-approval. All employees receive routine training regarding our personal securities trading and information barrier policies. In addition, employees must annually confirm that they have read and understand our code of ethics, including the personal securities trading and information barrier policies and standards.

Gift & Entertainment Policy

Our employees may occasionally give or receive gifts, meals or entertainment of moderate value, subject to compliance with applicable laws and regulations and rules of self-regulatory organizations. PAM has adopted a policy to address the conflicts of interest related to gifts and entertainment, such as the appearance of having given or received something of value that influenced our business decisions or the business decisions of our clients. The policy requires the reporting and preclearance of gifts, meals and entertainment given or received which exceed certain thresholds. In addition, our employees are prohibited from soliciting the receipt of gifts, meals or entertainment. Senior management periodically reviews summaries of gifts and entertainment activity to detect trends of abuse, conflicts of interest, or possible violations of the policy.

Political Contributions

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

Compensation of Our Investment Professionals

PAM's investment professionals are compensated through a combination of base salary, a performance-based annual cash incentive bonus.

The salary component is based on market data relative to similar positions within the industry as well as the past performance, years of experience and scope of responsibility of the individual.

An investment professional's incentive compensation, including the annual cash bonus, is largely driven by such person's contribution to our goal of providing investment performance to clients consistent with portfolio objectives, guidelines and risk parameters, as well as such person's qualitative contributions to the organization.

Conflicts Related to Our Trading

Personal Trading by Our Employees

Personal trading by our employees creates a conflict when they are trading the same securities or types of securities as we trade on behalf of the Funds or separate accounts. This conflict is mitigated by our personal trading policy and procedures, described above.

Conflicts Related to Outside Business Activity

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

Participation or Interest in Client Transactions

Our firm or persons associated with our firm may buy or sell the same securities that we purchase in the accounts. A conflict of interest exists in such cases because we have the ability to trade ahead of the accounts and potentially receive more favorable prices than the accounts will receive. To eliminate this conflict of interest, it is our policy that neither our associated persons nor we shall have priority over the accounts in the purchase or sale of securities.

Brokerage Practices – Item 12

Factors Used in Selecting or Recommending Broker-Dealers

Approved Counterparties

PAM's Asset Management Committee is responsible for regularly evaluating and, when appropriate, making recommendations to improve the broker-dealer selection process. In its evaluation, the committee considers such factors as:

- Available alternative trading systems and technology developments
- Commission trends
- Cost constraints
- Changes in the structure of markets
- Administrative implications
- Approval of new and evaluation of existing trading counterparties

PAM's broker dealer universe starts with Popular Inc.'s Corporate Treasury Division's list of approved counterparties. That list is subject to a separate evaluation process outside of PAM's scope that

includes, with certain exceptions, the review of financial statements, credit agency reports, and other factors.

Each PAM selected broker-dealer will undergo the scrutiny and review of the designated PAM risk/compliance officer, who on an annual basis will document his/her assessment of each selected broker-dealer based on:

- The broker-dealer's reputation, experience and financial stability
- The broker-dealer's standing with pertinent regulatory bodies and associations
- A review of any recent or pending regulatory actions

Broker-dealers which pass the above review process are included in PAM's approved broker-dealer list.

Execution of Trades

We seek to execute transactions for our accounts at the most advantageous terms reasonably attainable in the circumstances (i.e., we seek to achieve best execution). Factors that we consider in seeking to achieve best execution include:

- The counterparty's execution and settlement capability (including factors such as timing and speed of execution)
- The broker-dealer's ability to generate investment ideas
- The speed and quality of trading execution
- The broker-dealer's capability to provide services at the lowest possible cost
- Availability and direct access to broker research analysts and strategists
- Sufficient, competent broker personnel and support staff
- The broker-dealers' electronic and program trading capabilities and range of associated products
- The efficient clearance and settlement of trades
- The broker-dealer's ability to provide liquidity
- The broker-dealer's ability to act as counterparty for repo transactions
- The broker-dealer's ability to act as counterparty for derivative transactions

Transactions may not always be executed at the best available price due to the consideration of relevant factors other than price and it is possible that the Funds or separate accounts may pay transaction costs in excess of those which another firm might have charged for executing the same transaction.

Soft Dollars and Research Services

Currently, PAM does not enter into arrangements whereby brokerage business is promised in exchange for services, information or other benefits (e.g., soft dollars or soft commissions).

PAM receives a broad range of information and data from broker-dealers or other counterparties, including information on the economy, industries, groups of securities and individual companies, statistical information, market data, accounting and tax law interpretations, information regarding political developments, pricing and appraisal services, credit analysis, risk measurement analysis, performance analysis and other information regarding matters that may affect the economy and/or security prices. It may receive written reports, periodicals, investment seminars, access to databases, software, dedicated phone lines to be used to communicate trades, and telephone contacts and personal meetings with: securities analysts, economists, government representatives, and corporate and industry spokespersons. As noted above, these items are not received pursuant to arrangements or agreements to exchange brokerage business for services or benefits and are not considered to be obtained using soft dollars. PAM is not obligated to direct brokerage in order to receive such items.

PAM uses the information, data, services and other items referred to above in connection with its investment activities. Such information, data, services or other items obtained in connection with the execution of transactions for one Fund or separate account may be used in managing other accounts, including accounts managed for its affiliates. It does not consider the receipt of such information, data, services and other items in connection with its selection or evaluation of counterparties.

Brokerage for Client Referrals

In selecting or recommending counterparties for the Funds or separate accounts, we do not consider whether we or any of our related persons receive referrals from such counterparties or any other third parties.

Trade Aggregation and Allocation

Our policy with respect to trade aggregation and allocation is to manage our accounts fairly and equitably over time.

We aggregate and allocate all new issue orders among Funds and separate accounts with an appetite for the particular trade. While not required, we often aggregate secondary transactions. However, in many other cases, we may execute trades to meet the specific needs of a single Fund or account.

Our aggregation and allocation policy (including the supervisory review procedures regarding allocation described in Item 6) exempts transactions in securities or instruments that are deemed to be both liquid and fungible. Examples of such securities or instruments are: eligible securities as defined by Rule 2a-7 under the U.S. Investment Company Act of 1940; U.S. government securities, including agencies and agency mortgage-backed securities; non-U.S. government securities issued in their native currency that we consider to be investment grade; exchange-traded futures and options; index credit default swaps; interest rate swaps; and foreign currency instruments. Nevertheless, we may determine (and in some cases have determined) that certain such liquid and fungible securities and instruments will not be exempt from our aggregation and allocation policy (although we remain free to exempt any such securities or instruments that we have previously determined not to be exempt).

As stated above, our trade aggregation and allocation policy provides for the fair and equitable allocation of trading opportunities over time. However, a specific trade, when viewed in isolation, may have the effect of benefiting one Fund or account over another.

In determining individual Fund or separate account appetite, including whether such portfolio participates in an aggregated order, we may be influenced by numerous factors including:

- A Fund's or account's cash or liquid asset availability (including known or anticipated cashflows);
- The benchmark weight of the security;
- Maturity, quality, duration, or risk contribution represented by the security;
- Existing holdings of each Fund or account;
- Specific Fund or account mandates of objectives, guidelines and constraints;
- Liquidity requirements;
- Timing considerations;
- De minimis allocation considerations based on criteria such as round lot provisions or minimums;
- Percentage of NAV or minimum transaction size; or
- Any other portfolio construction considerations.

Our general practice is that all aggregated orders will be allocated across eligible Funds and accounts at the time of the transaction, or as soon as possible thereafter, based on each account's appetite for the issue, including affiliated accounts. Order allocation is not based upon account performance, fee structure, or any proprietary interest that we or our affiliates may have in a Fund or account.

If less than an entire aggregated order is executed, each account's allocation may be cut back based on one of a number of methodologies approved by our compliance group and senior management, such as pro rata based on original order or position or duration weight relative to benchmark. In determining final allocations, we may also consider the factors described above with respect to the determination of an individual account's appetite.

Our Trade Error Policy

We have policies and procedures to address identification and remediation of errors. Errors occasionally may occur in connection with our management of the Funds or separately managed accounts. Investment decisions, portfolio construction and related activities, including trading and trade reconciliation, are inherently complex processes that pose inherent risks. These risks may from time-to-time result in an error.

An incident is any occurrence or event that interrupts normal investment-related activities or that may deviate from applicable law, the terms of an investment management agreement, or applicable internal or external policies or procedures. Incidents can occur at PAM or at one of our service providers.

Whether or not an incident rises to the level of an error will be based on the facts and circumstances of each incident. Errors may include: i) investment decision-making that violates a client's investment guidelines, purchases made with unavailable cash, and sales made with unavailable securities, etc.; and/or ii) an administrative error made prior to or during a trade's execution (e.g., trader executes the wrong security, or for an incorrect number of shares or units, etc.). We will address and resolve errors on a case-by-case basis, in our sole discretion, based on each error's facts and circumstances, including regulatory requirements, contractual obligations and business practices. We are not obligated to follow any single method of resolving errors.

Not all errors will be considered compensable errors. When we determine that reimbursement is appropriate, the account will be compensated as determined in good faith by PAM. Resolution of errors may include, but is not limited to, permitting the Funds or accounts to retain gains or reimbursing the Funds or accounts for losses resulting from the error. The calculation of the amount of any loss will depend on the facts and circumstances of the error. In the event of a compensable error, PAM will make the Fund or account whole. In general, compensation is expected to be limited to direct monetary losses and will not include any "opportunity cost" nor (i) any amounts related to opportunity cost; (ii) any amounts that we deem to be speculative or uncertain; (iii) investment losses not caused by error; (iv) any loss amount that results from technology or service provider failures that are beyond our reasonable control.

Directed Brokerage

Currently, we do not accept directed brokerage arrangements for our clients.

Review of Accounts – Item 13

Periodic Review of Accounts

Our investment team regularly and closely monitors the Funds and accounts to ensure that all investment requirements are being met. We provide written reports to the boards of directors of the Funds on a quarterly basis showing each Fund's investment performance. In addition, we have outsourced Fund compliance to a third-party vendor who provides oversight of the Funds to ensure that all relevant investment and regulatory requirements are being met. Reports to beneficial owners of the separately managed accounts are dictated by the agreement with each client.

All transactions are monitored daily and required to be approved by an authorized peer or supervisor. The Asset Management Committee (the "Committee") meets periodically to review the Funds and accounts, and the portfolio managers have regular periodic meetings to review performance and attribution. The Committee is comprised of employees of both PAM and other PAM affiliates, including representation from Popular Securities, distributor for the Popular Funds. All Committee members provide functional subject matter expertise.

Annual reports which include listings of the investment securities held by the Funds at the end of the covered period, and containing financial statements audited by the Fund's independent auditors, will be sent to shareholders each year.

Client Referrals and Other Compensation - Item 14

As described in Item 10, Other Financial Industry Activities or Affiliations, our affiliate, Popular Securities, is a registered securities broker-dealer and a member of FINRA is the distributor for the Popular Funds and may also recommend to their retail clients to purchase the Popular Funds. In the event, the PRRTFF Funds issue notes going forward, Popular Securities would be a distributor for the notes. This constitutes a conflict of interest because PAM will receive higher investment advisory fees based on the increased asset value of the Funds resulting therefrom.

Also described in Item 10, our other affiliated companies and their employees may also refer their clients to the affiliated broker-dealer Popular Securities for the purchase of investment products, including the Popular Funds and the PRRTFF Funds. For such referrals, the referring employee may receive a nominal payment.

Other than what is stated above, we do not currently have any solicitation arrangements with solicitors.

Custody – Item 15

The assets of the Funds and the separately managed accounts advised by PAM are held by independent qualified custodians. The pension assets for which PAM provides consulting services are held by Banco Popular, a related party, as a qualified custodian. These pension accounts are reviewed annually by a public accounting firm which provides an internal control report to Banco Popular. All qualified custodians, including Banco Popular, provide at least quarterly statements to the client. These statements indicate all transactions occurring during the report period. We urge our clients to carefully review such statements and compare them to the account statements that PAM may provide the client and notify us immediately if there are any significant discrepancy. In the event the client has given the custodian authority to deduct our fees upon receipt of our instruction, these statements will also show this deduction.

Investment Discretion – Item 16

We have full discretionary authority over the Popular Funds through our investment advisory agreements with the Funds. This means that we have the authority to determine, within the parameters and limitations set forth by each Popular Fund's prospectus, which securities are to be bought or sold and the amounts of the securities to be bought or sold. We are also responsible for the larger strategic investment decisions, within the parameters and limitations set forth by each Fund's prospectus, such as determining a Popular Fund's investment style and asset allocation targets with the Popular Funds' board of directors' approval. Day-to-day security selection is generally the

decision of the portfolio manager of the specific Fund. In regard to the PRRTFF Funds, because we are co-investment managers with UBS, all investment decisions are made jointly with UBS.

We also have full discretion over the investment management of our separately management accounts in line with each account's investment policy. We have full authority to determine which securities are to be bought or sold and the amounts of the securities to be bought or sold in accordance with the rules and guidelines set forth in their investment management agreement.

Voting Client Securities – Item 17

PAM's policy is to vote proxies in the best long-term economic interest for its clients.

PAM relies primarily on the work of Institutional Shareholder Services (ISS) to vote proxies for its clients. PAM's guidelines are based on ISS recommendations and uses ISS software for implementation of proxy voting. PAM considers that these guidelines will protect and enhance shareholder returns. PAM will vote each proxy individually and on rare occasions will not follow ISS recommendations.

In some instances, PAM may abstain from voting a proxy, particularly when the effect on the client's economic interest or the value to the portfolio is insignificant or the cost of voting the proxy outweighs the benefit to the portfolio.

From time to time, ballot issues arise that are not addressed by our policy, or circumstances may suggest a vote not in accordance with our established guidelines. In these cases, our voting decisions are made on a case-by-case basis taking into consideration the potential economic impact of the proposal, as well as any circumstances that may result in restrictions on trading the security. Case-by-case, or manual, evaluation of a ballot item entails consideration of various, specific factors as they relate to a particular issuer and/or proposed action. For example, when performing manual evaluation of a ballot item relating to executive compensation (which will generally occur if PAM receives research suggesting a vote "against" the item), we consider such factors as stock performance, financial position and compensation practices of the issuer relative to its peers, change in control, tax gross-up and clawback policies of the issuer, pay inequality and other corporate practices, although not all factors may be relevant or of equal significance to a specific matter. With respect to contested meetings, which we always vote on a case-by-case basis, we consider research provided by ISS as well as other sources of information available in the marketplace, in order to understand the issues on both sides of the contest and determine our view. With respect to mergers and acquisitions, we consider whether a fairness opinion as to valuation has been obtained.

Conflicts of Interest in the Voting Process

Occasionally, a conflict of interest may arise in connection with proxy voting. For example, the issuer of the securities being voted may be an affiliate of ours. When we identify an actual or potential conflict of interest between our firm and our affiliate, we will always vote in accordance with the

policy of our proxy advisor ISS. In that manner, we seek to maintain the independence and objectivity of the vote.

If the proxy material has not been received two weeks before the scheduled meeting the Portfolio Manager or the Analyst will contact the custodian to review the status of the pending material.

Corporate Actions

In addition to voting rights, investors from time to time have the right to participate in corporate actions in relation to securities that they hold, such as an issuer's merger, tender offer, or dividend distribution. We typically participate in corporate actions on behalf of the Funds and accounts unless instructed otherwise, taking such action as we deem to be in the best interest of the portfolios and consistent with the investment strategy and objectives.

Financial information – Item 18

We do not have any financial condition or impairment that would prevent Popular Asset Management from meeting our contractual commitments to the Funds or other clients.