

# **BNY Mellon** **Securities Corporation**

**240 Greenwich Street, New York, NY 10286**

**Form ADV Part 2A  
Disclosure Statement  
BNY Mellon Securities Corporation  
Firm Brochure  
March 30, 2024**

**This brochure (“Brochure”) provides information about the qualifications and business practices of BNY Mellon Securities Corporation (“BNYMSC”). If you have any questions about the contents of this Brochure, please contact your program sponsor or us at 212-635-8827. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.**

**Registration with the SEC does not imply a certain level of skill or training.**

**Additional information about BNYMSC and its affiliated investment advisers is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

***Clients of wrap fee programs should also review the wrap fee program Brochure provided by the program sponsor.***

## **Item 2. Material Changes**

We may update this document at any time but are required to promptly send clients a copy of any material changes to our disclosures upon doing so. In addition, we will also deliver an annual summary of all material changes that occur to this Brochure along with an offer to provide you with a copy of the updated Brochure.

BNYMSC's last annual update of this Brochure was on March 31, 2023. There have been no material changes made to this Brochure since that time.

**Item 3. Table of Contents**

<b><u>Item</u></b>	<b><u>Page</u></b>
1- Cover Page	1
2- Material Changes	2
3- Table of Contents	3
4- Advisory Business	4
5- Fees and Compensation	9
6- Performance-Based Fees and Side-by-Side Management	11
7- Types of Clients	13
8- Methods of Analysis, Investment Strategies and Risk of Loss	14
9- Disciplinary Information	21
10- Other Financial Industry Activities and Affiliations	21
11- Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	28
12- Brokerage Practices	34
13- Review of Accounts	37
14- Client Referrals and Other Compensation	38
15- Custody	38
16- Investment Discretion	39
17- Voting Client Securities	39
18- Financial Information	44
<b>Appendix A</b>	<b>45</b>

## **Item 4. Advisory Business**

### **Introduction**

BNY Mellon Securities Corporation (“BNYMSC,” “Firm,” “We,” “Our” or “Us”) is registered with the SEC as an investment adviser under the Investment Advisers Act of 1940 (the “Advisers Act”) and as a broker-dealer under the Securities Exchange Act of 1934 (the “1934 Act”); is a member of the Financial Industry Regulatory Authority (FINRA); and is registered with the National Futures Association (NFA) as an introducing broker. BNYMSC is a corporation organized under the laws of the State of New York. BNYMSC is a wholly owned subsidiary of BNY Mellon Investment Adviser, Inc. (“BNY Mellon Investment Adviser”) and an indirect subsidiary of The Bank of New York Mellon Corporation (“BNY Mellon”). BNYMSC has been providing investment advisory services to individuals and institutions since 2001.

We provide investment advisory services to wrap programs sponsored by non-affiliated banks, broker-dealers and other financial intermediaries (“Program Sponsors”) by: (i) sub-advising separate account portfolios (“Traditional Wrap Program(s)”); (ii) providing model portfolios (“Model Delivery Program(s)”); or (iii) directly advising on investors’ separate account portfolios (“Dual-Contract Program(s)”). In Traditional Wrap Programs and Dual-Contract Programs, BNYMSC executes discretionary securities transactions in an account in the name of the wrap program client (“Wrap Client(s)”), subject to any investment restrictions specified by the Wrap Client. With respect to Model Delivery Programs, BNYMSC provides model portfolios to the Program Sponsor, who then executes securities transactions on behalf of the Wrap Clients. Investment advisory services are provided to Model Delivery Programs on a non-discretionary basis. We do not have discretionary investment authority with respect to any Wrap Client accounts in Model Delivery Programs (although we may, depending upon our contractual arrangement with the Program Sponsor, be granted authority over proxy voting, regulatory reporting or similar non-investment functions). For purposes of this Brochure, we will collectively refer to Traditional Wrap Programs, Model Delivery Programs and Dual Contract Programs as “Wrap Programs.”

BNYMSC provides portfolio management services to Traditional Wrap Program and Model Delivery Program Wrap Clients pursuant to an agreement with the Program Sponsor and, with respect to Dual-Contract Programs, pursuant to an investment advisory agreement with the Wrap Client.

In connection with these Wrap Programs, BNYMSC may engage affiliated or non-affiliated investment managers (each a “Delegated Manager”) to perform certain investment advisory services on BNYMSC’s behalf, including providing investment recommendations to BNYMSC

based on a particular investment strategy (the “Strategy(ies)”). The Delegated Manager is responsible for monitoring, evaluating and adjusting the investment recommendations based on the Delegated Manager’s investment research, experience and judgment. Currently, BNY Mellon Advisors, Inc. (“BNYM Advisors”), Newton Investment Management North America LLC (“NIMNA”), Newton Investment Management Limited (“NIM”) and Walter Scott & Partners Limited (“Walter Scott”), all of which are affiliated investment managers, serve as Delegated Managers to BNYMSC.

We, BNYM Advisors, NIMNA, NIM and Walter Scott are registered investment advisers and BNY Mellon Investment Management firms. BNY Mellon Investment Management is one of the world’s leading investment management organizations and one of the top U.S. wealth managers, encompassing BNY Mellon’s affiliated investment management and global distribution firms. BNY Mellon is the corporate brand of The Bank of New York Mellon Corporation.

BNYMSC may also give advice to a municipal entity or obligated person regarding the investment of proceeds of a municipal security, and this will be done in our investment adviser capacity. Please see Item 7 of this Brochure for more information on these types of clients.

As described in more detail below, we also offer advisory services not described in this Brochure, in particular as the sponsor of a wrap fee investment program (the BNY Mellon Managed Asset Program). If you would like more information, please consult our Form ADV Part 2A, Appendix 1 – Wrap Fee Program Brochure, which is available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Third-Party Wrap Programs**

### **Traditional Wrap Programs**

In a Traditional Wrap Program, a Wrap Client enters into an advisory agreement with the Program Sponsor and the Program Sponsor enters into a sub-advisory agreement with BNYMSC. Under a Traditional Wrap Program, BNYMSC is retained by the Program Sponsor, and Wrap Clients select BNYMSC from among the investment advisers that the Program Sponsor presents to them. Upon accepting management of a Wrap Client’s account (“Wrap Account”), BNYMSC provides investment advisory services to the Wrap Account in accordance with the investment guidelines applicable to the investment strategy selected by the Wrap Client; the investment guidelines, if any, specified by the Program Sponsor with respect to the applicable Wrap Program; and the investment restrictions, if any, specified by the Wrap Client.

In connection with Traditional Wrap Programs, BNYMSC may perform some or all of the

following services:

- providing investment advisory services for Wrap Accounts;
- facilitating trading for Wrap Accounts with Program Sponsors and other broker-dealers;
- managing Wrap Accounts and implementing the Delegated Manager's investment strategy recommendations;
- monitoring the Delegated Manager's strategy guidelines, the Program Sponsor's Wrap Program guidelines and the Wrap Clients' investment guidelines;
- participating in consultations with financial advisors of the Program Sponsors regarding administration of Wrap Accounts;
- undertaking secondary suitability reviews;
- facilitating the instructing of corporate actions;
- conducting proxy voting on a Wrap Client's behalf, if so directed; and
- filing certain regulatory reports.

Portfolio transactions for Wrap Clients of Traditional Wrap Programs are generally directed by BNYMSC to the Program Sponsor for execution but may also, in certain circumstances, be directed to a non-sponsoring broker-dealer in an effort to seek best execution. Please see Item 12 of this Brochure for more information about the selection of broker-dealers when executing securities trades on behalf of Wrap Clients.

### **Model Delivery Programs**

In Model Delivery Programs, BNYMSC is retained by the Wrap Program Sponsor to provide non-discretionary portfolio recommendations, which take the form of a portfolio model related to a particular strategy and not tailored to any specific Wrap Client. The Program Sponsor retains full discretion to accept, modify or reject such recommendations and the Program Sponsor (or a third party retained by the Program Sponsor to perform services for the Wrap Program, such as an overlay manager) is generally responsible for implementing the ultimate investment decisions. BNYMSC does not know the identity of, or any other pertinent information about, the Wrap Clients for whom the Program Sponsor has elected to use BNYMSC's portfolio model. Unlike Traditional Wrap Programs or Dual-Contract Programs, BNYMSC does not have discretionary investment authority with respect to any Wrap Client accounts in Model Delivery Programs.

In connection with Model Delivery Programs, BNYMSC may perform some or all of the following services:

- facilitating model delivery to the Program Sponsor;
- facilitating the instructing of corporate actions;
- conducting proxy voting on a Wrap Client's behalf, if so directed; and
- filing certain regulatory reports.

**Dual-Contract Programs**

In Dual-Contract Programs, a Wrap Client enters into an investment advisory agreement directly with BNYMSC and a separate agreement with the Program Sponsor. Upon accepting management of a Wrap Account, BNYMSC directly advises and manages the Wrap Account in accordance with the investment guidelines applicable to the investment strategy selected by the Wrap Client; the investment guidelines, if any, specified by the Program Sponsor with respect to the applicable Wrap Program; and the investment restrictions, if any, specified by the Wrap Client. As of the date of this Brochure, we do not advise any Dual-Contract Program Wrap Accounts but do offer discretionary investment advisory services to Wrap Programs that accept Dual-Contract Program Wrap Clients.

In connection with Dual-Contract Programs, BNYMSC may perform some or all of the following services:

- providing investment advisory services for Wrap Accounts;
- undertaking suitability and Know Your Customer reviews;
- facilitating trading with Program Sponsors (where available) and other broker-dealers;
- managing Wrap Accounts and implementing the Delegated Manager's investment strategy recommendations;
- monitoring the Delegated Manager's strategy guidelines, the Program Sponsor's Wrap Program guidelines and the Wrap Clients' investment guidelines;
- participating in consultations with financial advisors of the Program Sponsors regarding administration of Wrap Accounts;
- facilitating the instructing of corporate actions;
- facilitating billing of Wrap Accounts;
- conducting proxy voting on a Wrap Client's behalf, if so directed; and
- filing certain regulatory reports.

Portfolio transactions for Wrap Clients of Dual-Contract Programs are generally directed by

BNYMSC to the Program Sponsor for execution (where available) but may also, in certain circumstances, be directed to a non-sponsoring broker-dealer in an effort to seek best execution. Please see Item 12 of this Brochure for more information about the selection of broker-dealers when executing securities trades on behalf of Wrap Clients.

BNYMSC has the right, at its discretion, to decline to provide investment advisory services, on a case-by-case basis, to new Wrap Clients of Program Sponsors.

In addition to providing investment advisory and related services for Wrap Programs, BNYMSC may be retained by affiliated and non-affiliated investment managers to provide administrative and support services (“Administrative Services”) in connection with the investment advisory services that such managers have agreed to perform for wrap accounts of financial services firms who sponsor wrap fee investment programs.

*Wrap Clients of these Wrap Programs should also review the Brochures of the Delegated Manager and Program Sponsor, which will contain additional information about each of those firm’s investment advisory services.*

### **Other Accounts**

#### **BNYMSC’s Role as a Program Sponsor to a Wrap Fee Investment Program: BNY Mellon Managed Asset Program**

BNYMSC also offers a proprietary wrap fee investment program, the BNY Mellon Managed Asset Program (“BNYM MAP”), for which BNYMSC serves as the program sponsor. BNYM MAP clients may invest in (i) mutual funds sponsored or managed by our affiliates (“BNY Mellon Mutual Funds”) or a combination of BNY Mellon Mutual Funds and selected mutual funds from third party mutual fund families, (ii) equity investment strategies through one or more separately managed accounts managed by professional investment advisory firms, including BNYMSC, (iii) municipal bonds through a separately managed account managed by an affiliate, Insight North America LLC, or (iv) a combination of these products. For more detail with respect to BNYM MAP, please refer to BNYMSC’s Form ADV Part 2A, Appendix 1 - Wrap Fee Program Brochure, available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).



## **Assets Under Management**

As of December 31, 2023, we managed \$6.124 billion for clients, of which \$697.4million was on a discretionary basis and \$5.427 billion was on a non-discretionary basis.

***Class Actions; Litigation:*** It is our policy that we do not advise, initiate or take any other action on behalf of clients relating to securities held in the client’s account managed by us in any legal proceeding (including, without limitation, class actions, class action settlements and bankruptcies). We do not file proofs of claims relating to securities held in your account and do not notify you or your custodian of class action settlements or bankruptcies relating in any way to such account. Typically, custodians submit filings in connection with class action settlements and may also handle bankruptcy filings. You should consult with your custodian and other service providers to ensure such coverage.

## **Item 5. Fees and Compensation**

Fees for BNYMSC’s investment advisory services are described in the sections below. As a dually registered investment adviser and broker-dealer, the investment advisory services that we perform are separate and distinct from the brokerage services we perform, and each is governed by different laws and contractual arrangements. While there may be certain similarities between the brokerage and advisory services we provide depending on the capacity in which we act, our contractual relationship and legal duties, including the fees we charge to clients, are subject to a number of important differences.

### **Wrap Programs**

Generally, in a Wrap Program, the Program Sponsor charges the Wrap Client an inclusive (“wrap”) fee that covers various costs relating to the management of the Wrap Client’s account. This wrap fee typically includes brokerage transaction and clearing charges, custodian fees, investment advisory fees, and any other applicable fees for related services. Typically, the Wrap Client is introduced to the Strategy by the Wrap Client’s financial professional, who is employed by the Program Sponsor. Some Wrap Programs may not charge a wrap fee and may, instead, bill separately for each service provided. With respect to Dual-Contract Programs, the investment advisory fee typically is not included in the Program Sponsor’s wrap fee and, therefore, the investment advisory fee would be an additional fee paid by the Wrap Client either directly or collected by the Program Sponsor from the Wrap Client on our behalf. Wrap Clients should consult their Program Sponsor’s Wrap Fee Program Brochure for additional information about the

services provided through their program by the Program Sponsor and related fees and expenses associated with the Wrap Program.

Except with respect to certain Dual-Contract Programs, the Program Sponsor's Wrap Clients generally do not pay a fee directly to BNYMSC and have limited direct contact with BNYMSC. The Program Sponsor typically pays BNYMSC a portion of the total managed account program fee paid to the Program Sponsor by the Wrap Client. This typically ranges from 0.00% to 0.50% annually, depending on the Program Sponsor, the type of account, the level of support provided by BNYMSC and the size of the Wrap Client's assets in the specific Strategy. In addition, and as described above, BNYMSC may be retained by affiliated and non-affiliated investment managers to provide administrative and support services in connection with the investment advisory services that such managers have agreed to perform for wrap accounts of financial services firms who sponsor wrap fee programs. In such cases, BNYMSC is paid a fee by those investment managers for providing such administrative and support services, which are unrelated to BNYMSC's provision of investment advisory services to Wrap Clients.

In Traditional Wrap Programs, trade execution is generally conducted through the Program Sponsor unless trade execution with a non-sponsoring firm may result in more favorable execution for the Wrap Client. With respect to Dual-Contract Programs, depending upon the structure of the Program, trade execution may either be generally conducted through the Program Sponsor, unless trade execution with a non-sponsoring firm may result in more favorable execution, or all trading may occur away from the Program Sponsor. Trade execution with a non-sponsoring firm may result in additional fees to the Program Sponsor's Wrap Clients. Please refer to Item 12 of this Brochure (**Brokerage Practices**) for more information about trade execution with non-sponsoring firms.

Depending on the amount of activity in an account, the fees for a Wrap Program may result in higher costs than a Wrap Client might otherwise incur by establishing separate arrangements for trade execution, custody, investment advice and other account-related services. Wrap Clients may wish to periodically evaluate whether the total fee for a particular Wrap Program is appropriate to their needs.

#### **Conflicts of Interest Related to Wrap Programs**

BNYMSC has certain representatives who, among other things, market the Strategies advised by the Delegated Managers to Program Sponsors. Program Sponsors may then recommend the Strategies to their Wrap Clients. BNYMSC may compensate its representatives more for successfully marketing certain Strategies over others. The compensation paid by BNYMSC to its representatives for marketing the Strategies is made solely by BNYMSC out of its own assets.

These payments present a conflict of interest because the BNYMSC representatives have an incentive to promote Strategies to Program Sponsors based on the potential for compensation rather than the needs of a Program Sponsor's Wrap Clients.

*For more information on fees and compensation, please see the Wrap Program Brochure you receive from your Program Sponsor.*

## **Item 6. Performance-Based Fees and Side-by-Side Management**

Performance-based fee arrangements and side-by-side management activities entail inherent conflicts that are described in this Item 6.

We have not entered into performance-based fee arrangements with our clients. However, our Delegated Managers may enter into performance-based fee arrangements with their clients. For more detailed information about such arrangements, including how our Delegated Managers' performance fees are calculated, please see the respective Delegated Manager's firm brochure.

"Side-by-side management" refers to our simultaneous management of multiple types of client accounts/investment products. For example, we or our Delegated Managers may simultaneously manage separate accounts, managed accounts and pooled investment vehicles for clients. Our clients have a variety of investment objectives, policies, strategies, limitations and restrictions. Our affiliates likewise manage a variety of separate accounts, managed accounts, and pooled investment vehicles.

Side-by-side management gives rise to a variety of potential and actual conflicts of interest for us, our employees and our supervised persons. Below we discuss the conflicts that we and our employees and supervised persons face when engaging in side-by-side management and how we deal with them. Note that certain of our affiliated Delegated Managers' employees are also officers or employees of one or more BNY Mellon affiliates ("dual officers" or "dual employees"). These dual officers or dual employees undertake administrative or investment management duties for the affiliates of which they are such officers or employees. Please see **Dual Officers and Dual Employees** in Item 10 of this Brochure (**Other Financial Industry Activities and Affiliations**) for more information on our dual officer and dual employee arrangements. When our affiliates concurrently manage client accounts/ investment products, and particularly when dual officers or dual employees are involved, this presents the same conflicts as described below.

To address these conflicts of interest, we manage our accounts consistent with applicable law, and we and our Delegated Managers follow procedures that are reasonably designed to treat our clients fairly and to prevent any client or group of clients from being systematically favored or

disadvantaged. For example, we and our Delegated Managers have trading policies and procedures, such as trade allocation and best execution procedures, which are designed and implemented to help ensure that all clients are treated fairly and equally, and to prevent these conflicts from influencing the allocation of investment opportunities between and among clients. Please see Item 12 of this Brochure (**Brokerage Practices**) (and Item 12 of our Delegated Managers' firm Brochures) for more information.

**Conflicts of Interest Relating to Accounts with Different Strategies**

We and our Delegated Managers manage numerous accounts with a variety of strategies, which presents conflicts of interest relating to the allocation of investment opportunities and the aggregation and allocation of trades. For example, a long/short position in two client accounts simultaneously can result in a loss to one client based on a decision to take a gain in the other. Taking concurrent conflicting positions in certain derivative instruments can likewise cause a loss to one client and a gain to another.

**Conflicts of Interest Relating to the Management of Multiple Client Accounts**

We and our Delegated Managers perform investment advisory services for various clients. In many instances, we give advice and take action in the performance of our duties with respect to certain of our clients which differs from the advice given, or the timing or nature of action taken, with respect to other clients. We have no obligation to purchase or sell for a client any security or other property which we purchase or sell for our own account or for the account of any other client, if it is undesirable or impracticable to take such action.

**Conflicts of Interest Relating to Investment in Affiliated Accounts**

To the extent permissible under applicable law, we may decide to invest some or all of our corporate temporary investments in money market accounts advised or managed by a BNY Mellon affiliate. We have an incentive to allocate our own investments to these types of affiliated accounts to generate additional fees for us or our affiliates.

**Conflicts of Interest Relating to "Proprietary Accounts"**

We, our affiliates, and/or our existing and future employees will from time to time invest in products managed by us or our affiliates ("Proprietary Accounts"). Investment by us, our affiliates, or our employees in Proprietary Accounts creates conflicts of interest because we or our affiliates have an incentive to favor these Proprietary Accounts by, for example, directing the best investment ideas to these accounts or allocating, aggregating or sequencing trades in favor of such accounts, to the disadvantage of other accounts. We and our affiliates also have an incentive to

dedicate more time and attention to our Proprietary Accounts and to give them better execution and brokerage commissions than our other client accounts.

**Other Conflicts of Interest**

As noted previously, we and our affiliates manage numerous accounts with a variety of interests. This necessarily creates conflicts of interest for us. For example, we or our Delegated Managers may cause multiple accounts to invest in the same investment. Such accounts may have conflicting interests and objectives in connection with such investment, including differing views on the operations or activities of the portfolio company, the targeted returns for the transaction and the timeframe for and method of exiting the investment. Conflicts also arise in cases where multiple BNYMSC and/or affiliate client accounts are invested in different parts of an issuer's capital structure. For example, one of our client accounts could acquire debt obligations of a company while an affiliate's client account acquires an equity investment. In negotiating the terms and conditions of any such investments, we could conclude that the interests of the debt-holding client accounts and the equity holding client accounts conflict. If that issuer encounters financial problems, decisions over the terms of any workout could raise conflicts of interest (including, for example, conflicts over proposed waivers and amendments to debt covenants). For example, debt holding accounts may be better served by a liquidation of an issuer in which it could be paid in full, whereas equity holding accounts might prefer a reorganization of the issuer that would have the potential to retain value for the equity holders. As another example, holders of an issuer's senior securities could potentially direct cash flows away from junior security holders, and both the junior and senior security holders could be BNYMSC client accounts. **It is important to note that, when we act as your broker-dealer, we are not held to the same legal standards that apply when we are providing investment advisory services.**

**Item 7. Types of Clients and Account Requirements**

**Types of Clients**

As discussed in Item 4 (**Advisory Business**) above, we provide an array of investment advisory services to individual investors and other clients of Program Sponsors of Wrap Programs. To the extent that we are providing advice to a municipal entity or obligated person regarding the investment of proceeds of a municipal security, this will be done in our investment adviser capacity.

Please review the wrap fee program brochure from your Program Sponsor for more information on types of clients and account requirements for the Program Sponsor's Wrap Programs. For information regarding BNYM MAP, please refer to our Form ADV Part 2A, Appendix 1 - Wrap

Fee Program Brochure, available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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

### **Wrap Programs**

We offer a variety of investment strategies which, as described in Item 4, are referred to in this Brochure as “Strategies” and which are listed below in this Item 8. Please also refer to Item 8 of our Delegated Managers’ Brochures for detailed descriptions of the Strategies for which each Delegated Manager performs investment advisory services on our behalf, and for each Delegated Manager’s methods of analysis.

Each Strategy involves risk of loss, which Wrap Clients should be prepared to bear. Please refer to the **Summary of Material Risks** in this Item 8 below, and to Item 8 of our Delegated Managers’ Brochures, for descriptions of the primary risks relating to the Strategies we offer. In addition, with respect to the ETF-based model Strategies described below, please refer to the particular ETF prospectus for more information about the risks applicable for a particular ETF. If you would like a copy of a particular BNY Mellon ETF prospectus, you may obtain one at [im.bnymellon.com/etf](http://im.bnymellon.com/etf) or by calling us at 1-833-ETF-BNYM (383-2696). To obtain non-BNY Mellon ETF prospectuses, please contact the Program Sponsor or the direct website of the ETF in question.

For all Strategies, there is no assurance or guarantee that a Strategy’s or a Wrap Client’s investment objectives will be met.

### **Investment Strategies**

The Strategies we may currently make available to Program Sponsors are listed below, along with the name of the Delegated Manager providing investment advisory services to us. Wrap Clients should additionally check with representatives of their Program Sponsors for actual availability of a given Strategy with respect to a particular Wrap Program.

- **BNYM Advisors**

BNYM Advisors provides the following core model Strategies to us for use in Model Delivery Programs:

- BNY Mellon Growth ETF Model - seeks to provide investors with exposure to a growth-oriented portfolio focused on capital return.

- BNY Mellon Growth & Income ETF Model - seeks to provide investors with growth through capital return and income.
- BNY Mellon Balanced ETF Model - seeks to provide investors with a balance of growth, income, and principal preservation.
- BNY Mellon Stable Growth ETF Model - seeks to provide investors with principal preservation and growth.
- BNY Mellon Income ETF Model - seeks to provide investors with a stream of current income primarily through bonds.
- BNY Mellon Stability ETF Model - seeks to provide investors with principal preservation and an “anchor” to their overall portfolio.
- BNY Mellon Stable Income ETF Model - seeks to provide investors with principal preservation and income.

Each of these seven ETF-based model Strategies is available in Wrap Account form in both taxable and tax-aware versions. Each model Strategy is comprised of a blend of Exchange Traded Funds (ETFs) sponsored or managed by our affiliates (“BNY Mellon ETFs”) and by unaffiliated investment managers (“Third Party ETFs”) and is designed to seek a particular investment objective (as expressed in each model Strategy’s name). The tax-aware versions, while each retaining the same investment objective described above and the same sector allocations as the corresponding taxable version, include exposure to a Municipal Bond ETF to potentially generate tax-free income; please refer to the BNYM Advisors brochure for more information concerning BNYM Advisors’ investment processes and associated risks. Information about the specific ETFs comprising each model strategy may be found in each ETF’s prospectus, available as described above.

In addition to the core ETF-based model Strategies described above, BNYM Advisors may create on our behalf customized variations of these core model Strategies or new model Strategies for use in Model Delivery Programs, focused on specific investment goals or objectives and may, for example, be keyed to particular asset allocations and investment styles, depending on the specific requirements of the Program Sponsors who have engaged us as model providers. As of the date of this Brochure, BNYM Advisors has created a number of such custom variations on our behalf in response to specific product requests we have received from various Program Sponsors.

Such customized variations of the core model Strategies and new model Strategies will include allocations to one of more of the following: (i) BNY Mellon ETFs and/or BNY Mellon Mutual funds sponsored or managed by our affiliates (collectively, the “BNY Mellon Funds”), (ii) Third Party ETFs and/or mutual funds sponsored or managed by unaffiliated investment managers (collectively, “Third Party Funds” and together with the BNY Mellon Funds, the “Funds”), and (iii) other model Strategies of the Delegated Managers as described in this Item 8 (the “SMA Strategies”).

As general matter, BNY Mellon Funds and SMA Strategies provided by the affiliated Delegated Managers (the “Affiliated SMA Strategies” and together with the BNY Mellon Funds, the “BNY Mellon Products”) are preferred in these model Strategies and the proportion of BNY Mellon Products included can be high (in fact up to 100%); however, the proportion and types of BNY Mellon Products (as well as Third Party Funds and third party SMA Strategies) recommended will vary depending on the specific goals and objectives of the model Strategies, as well as any particular requirements imposed by Program Sponsors. This also means that the universe of mutual funds, ETFs and SMA Strategies considered in constructing the model Strategies is limited and, as discussed below, BNYMSC and its affiliates will receive more overall compensation when BNY Mellon Products are included. When constructing these model Strategies, we will however seek to include the lowest cost share classes of the constituent Funds in our model recommendations that we reasonably believe Wrap Clients would be eligible to purchase, subject to any limitations that may be imposed by the Program Sponsor.

Wrap Clients who invest in our ETF-based core model Strategies, as well as the customized variations and new model Strategies described above, will bear a proportionate share of each Fund’s fees and expenses, including, as applicable, investment management fees and fees for administrative, distribution, transfer agency, custody, legal and audit services and other fees and expenses customarily paid by funds to persons who provide services to them. These fees will be in addition to the wrap fee charged by the Program Sponsor and are described in each Fund’s prospectus or statement of additional information (“SAI”). Clients should review all applicable prospectuses and SAIs for additional information about these fees and expenses. In addition, clients who invest in a model Strategy that includes a SMA Strategy component will be subject to the applicable advisory fee for that SMA strategy.

With respect to BNY Mellon Funds, BNYMSC and its affiliates provide services to such BNY Mellon Funds and receive fees for those services from the applicable BNY Mellon Fund or one or more of its other service providers. In addition, BNYMSC’s affiliates may also provide services to Third Party Funds and receive fees for those services from the applicable Third -Party Fund or one or more of its other service providers. Typically, these fees will be based on the value of a Fund’s total assets. In particular, BNYMSC serves as the distributor of the BNY Mellon Funds



and may be compensated through distribution and/or shareholder service fees. In addition, our affiliates provide a variety of other services to the BNY Mellon Funds and its shareholders, such as investment advisory, transfer agency, custodial and other administrative services (including securities lending services). With respect to the Affiliated SMA Strategies and as described in Item 5 above, BNYMSC receives a fee from the Program Sponsor and, in turn, compensates the applicable Delegated Manager for its investment advisory services.

The compensation received by BNYMSC and its affiliates varies by Fund and by Affiliated SMA Strategy, which means that BNYMSC and its affiliates benefit more when Wrap Clients invest in Funds and Affiliated SMA Strategies where the compensation is higher, as described in general terms in each Fund's prospectus or SAI (for the Funds) and as described in Item 5 above and in a Program Sponsor's Wrap Fee Program Brochure (for the Affiliated SMA Strategies). BNYMSC and its affiliates receive significantly higher compensation from BNY Mellon Funds and Affiliated SMA Strategies than from Third Party Funds and unaffiliated SMA Strategies, respectively. Accordingly, a financial incentive exists when constructing these model Strategies to select Funds (and BNY Mellon Funds in particular) and Affiliated SMA Strategies that result in additional compensation to BNYMSC and its affiliates, and to weight higher compensating Funds and Affiliated SMA Strategies more heavily. However, as discussed above, the Funds and SMA Strategies selected for the model Strategies are designed to meet particular goals and objectives, including any particular requirements of the Program Sponsors. In addition, as an investment adviser, we are obligated to act in the best interest of Program Sponsors when making non-discretionary model recommendations, and we maintain policies, procedures and supervisory controls designed to meet this obligation.

- **NIMNA**
  - BNYM Newton Dynamic Value
  - BNYM Newton Dynamic US Equity
  - 
  - BNYM Newton Global Natural Resources
  - BNYM Newton Large Cap Growth
  - BNYM Newton Small Mid Cap Growth

The Strategies above correspond to, respectively, the Large Cap Value, Domestic Asset Allocation, Thematic Equity, Global Equity and Small Cap Growth strategies described in Item 8 of NIMNA's brochure.

- **NIM**
  - BNYM Newton International Equity
  - BNYM Newton International Equity ADR (no longer offered)
  - BNYM Newton Global Equity
  - BNYM Newton Global Equity Income ADR

The Strategies above correspond to, respectively, the International Equity, International Equity, Global Equity and Global Equity Income strategies described in Item 8 of NIM’s Brochure.

- **Walter Scott**
  - BNYM Walter Scott International Stock ADR

The Strategy above corresponds to the EAFE strategy described in Item 8 of Walter Scott’s Brochure.

Working with a Program Sponsor representative, the Wrap Client typically determines his or her investment strategy based on personal circumstances and objectives and selects one or more Strategies. Wrap Clients are responsible for asset allocation decisions when selecting portfolios. We and our Delegated Managers do not provide asset allocation advice with respect to the Strategies we offer.

### **Risk of Loss**

Each investment strategy we offer invests in a variety of securities and employs a number of investment techniques that involve certain risks. Investment involves risk of loss that clients and investors should be prepared to bear.

### **Summary of Material Risks**

The table below and Appendix A of this Brochure set forth information concerning the material risks involved with each Strategy. An “X” in the table indicates that the Strategy involves the corresponding risk. An empty box indicates that the Strategy does not involve the corresponding risk in a material way.

However, an empty box does not guarantee that the Strategy will not be subject to the corresponding risk.

<b>Risk Type</b>	<b>NIMNA Strategies</b>	<b>NIM Strategies</b>	<b>Walter Scott Strategies</b>	<b>BNYM Advisors Strategies</b>
ADR / GDR Risk	X	X	X	X
Allocation Risk	X	X	X	X
Banking Industry Risk	X	X	X	X
Clearance and Settlement Risk	X	X	X	X
Concentration Risk	X	X	X	X
Correlation Risk	X	X	X	X
Counterparty Risk	X	X	X	X
Country, Industry and Market Sector Risk	X	X	X	X
Disease/Epidemics Risk	X	X	X	X
Cybersecurity Risk	X	X	X	X
Emerging Market Risk		X	X	X
Equity Securities Risk	X	X	X	X
ESG Investment Risk		X		
ETF Risk	X	X	X	X
Fixed Income Securities Risk				X
Foreign Investment Risk	X	X	X	X

<b>Risk Type</b>	<b>NIMNA Strategies</b>	<b>NIM Strategies</b>	<b>Walter Scott Strategies</b>	<b>BNYM Advisors Strategies</b>
General Risks	X	X	X	X
Growth and Value Stock Risk	X	X	X	X
Growth Stock Risk	X	X	X	X
Healthcare Sector Risk	X	X	X	X
Investment Strategy Risk	X	X	X	X
Issuer Risk	X	X	X	X
Large Cap Stock Risk	X	X	X	X
Liquidity Risk	X	X	X	X
Market Risk	X	X	X	X
Market Sector Risk	X	X	X	X
Micro Cap Company Risk	X			X
Non-Diversification Risk	X	X	X	
Performance Risk	X	X	X	X
Portfolio Turnover Risk	X	X	X	X
Preferred Stock Risk	X			
Quantitative Model Risk	X			
Real Estate Sector Risk	X	X	X	X

<b>Risk Type</b>	<b>NIMNA Strategies</b>	<b>NIM Strategies</b>	<b>Walter Scott Strategies</b>	<b>Investor Solutions Strategies</b>
Small and Midsize Company Risk	X	X	X	X
Stock Investing Risk	X	X	X	X
Stock Selection Risk	X	X	X	X
Systemic Risk	X	X	X	X
Technology Company Risk	X	X	X	X
Value Stock Risk	X	X	X	X
Valuation Risk	X	X	X	X

Please also refer to Item 8 of our Delegated Managers’ Brochures, Appendix A of this Brochure and the prospectuses of the ETFs for further descriptions of these material risks relating to the Strategies.

## **Item 9. Disciplinary Information**

### **Disciplinary Information**

From time to time, we and/or BNY Mellon may be involved in regulatory examinations or litigation that arise in the ordinary course of our business. At this time, we are not aware of any regulatory matters or litigation that we believe would be material to an evaluation of our advisory business or the integrity of our management.

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

In addition to being registered as an investment adviser under the Advisers Act, BNYMSC is also registered as a broker-dealer under the Securities Exchange Act of 1934, is a member of FINRA, and is registered with the NFA as an introducing broker.

**BNY Mellon is a Global Financial Services Company**

BNY Mellon is a global financial services company providing a comprehensive array of financial services (including asset management, wealth management, asset servicing, clearing and execution services, issuer services and treasury services) through a world-wide client focused team that enables institutions and individuals to manage and service their financial assets. BNY Mellon Investment Management is the umbrella designation for BNY Mellon's affiliated investment management firms, global distribution companies and wealth management business and is responsible, through various subsidiaries, for U.S. and non-U.S. retail, intermediary and institutional distribution of investment management and related services.

We enter into transactions with unaffiliated counterparties or third-party service providers who can be using affiliates of ours to execute such transactions. Additionally, when we effect transactions in American Depositary Receipts ("ADRs") or other securities, the involved issuers or their service providers could be using affiliates for support services. Services provided by our affiliates to such unaffiliated counterparties, third party service providers and/or issuers include, for example, clearance of trades, purchases or sales of securities, serving as depository bank to issuers of ADRs, providing foreign exchange services in connection with dividends and other distributions from foreign issuers to owners of ADRs, or other transactions not contemplated by us. Although one of our affiliates receives compensation for engaging in these transactions and/or providing services, the decision to use or not use an affiliate of ours is made by the unaffiliated counterparty, third party service provider or issuer. Further, we will likely be unaware that the affiliate is being used to enter into such transaction or service.

BNY Mellon and/or its affiliates may gather data from BNYMSC about our investment activities, including information about holdings within client portfolios, which is required for regulatory filings to be made by BNYMSC or BNY Mellon or their affiliates (e.g., reporting beneficial ownership of equity securities) or for other compliance, legal or risk management purposes, pursuant to policies and procedures of the Firm, BNY Mellon or their affiliates. This data is deemed confidential and procedures are followed to help ensure that any information is utilized solely for the purposes intended.

**BNY Mellon's Status as a Bank Holding Company**

BNY Mellon and its direct and indirect subsidiaries, including us, are subject to (1) certain U.S. banking laws, including the Bank Holding Company Act of 1956, as amended (the "**BHCA**"), (2) regulation and supervision by the Board of Governors of the Federal Reserve System (the "**Federal Reserve**") and (3) the provisions of, and regulations under, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**"). The BHCA, the Dodd-Frank Act, other

applicable banking laws and the regulatory agencies, including the Federal Reserve, that interpret and administer these laws may restrict (1) the transactions and relationships among BNY Mellon, its affiliates (including us) and our clients and (2) our investments, transactions and operations. For example, the BHCA regulations applicable to BNY Mellon and us may restrict our ability to make certain investments or the size of certain investments, impose a maximum holding period on some or all of our investments and restrict our ability to participate in the management and operations of the companies in which we invest. In addition, certain BHCA regulations may require aggregation of the positions owned, held or controlled by related entities. Thus, in certain circumstances, positions held by BNY Mellon and its affiliates (including us) for client and proprietary accounts may need to be aggregated and may be subject to a limitation on the amount of a position that may be held. These limitations may have an adverse effect on our ability to manage clients' investment portfolios. For example, depending on the percentage of a company that we and our affiliates (in the aggregate) control at any given time, the limits may (1) restrict our ability to invest in that company for certain clients or (2) require us to sell certain client holdings of that company when it may be undesirable to take such action. Additionally, in the future BNY Mellon may, in its sole discretion and without notice, engage in activities affecting us in order to comply with the BHCA, the Dodd-Frank Act or other legal requirements applicable to (or reduce or eliminate the impact or applicability of any bank regulatory or other restrictions on) us and accounts that we and our affiliates manage.

### **The Volcker Rule**

The Dodd-Frank Act includes provisions that have become known as the "Volcker Rule," which restrict bank holding companies, such as BNY Mellon and its subsidiaries (including us) from (i) sponsoring or investing in a private equity fund, hedge fund or otherwise "covered fund", with the exception, in some instances, of maintaining a de minimis investment, subject to certain other conditions and/or exceptions, (ii) engaging in proprietary trading, and (iii) entering into certain transactions involving with affiliated covered funds.

The Volcker Rule generally prohibits certain transactions involving an extension of credit or other type of transaction as set forth in applicable regulations between BNY Mellon and its affiliates, on the one hand, and "covered funds" managed or sponsored by BNY Mellon and/or its affiliates (including us), on the other hand. BNY Mellon affiliates provide securities clearance and settlement services to broker-dealers on a global basis. The operational mechanics of the securities clearance and settlement process can result in an incidental or unintended intraday extension of credit between the securities clearance firm and a "covered fund." As a result, we may be restricted from using a BNY Mellon affiliate as custodian or in other capacities for covered funds as well as be restricted in executing transactions for certain funds through broker-dealers that utilize a BNY

Mellon affiliate as their securities clearance firm. Such restrictions could limit the covered fund's selection of service providers and prevent us from executing transactions through broker-dealers we would otherwise use in fulfilling our duty to seek best execution. The Volcker Rule was amended in 2020 to include exemptions that permit a broader range of transactions between BNY Mellon and its affiliates and relevant covered funds. BNY Mellon intends to rely on such exemptions to the extent it deems appropriate.

**Dual Officers and Dual Employees**

Certain employees of our Delegated Managers act as officers or employees of one or more of our affiliates ("dual officers" or "dual employees"), including The Bank of New York Mellon, an affiliated New York chartered bank (the "Bank"), and BNY Mellon Investment Adviser, Inc. ("BNYMIA"), an affiliated registered investment adviser, for the purpose of performing administrative or investment management and related functions. In their capacities as dual officers or dual employees, they provide administrative or discretionary investment advisory services to certain clients and also to certain collective investment funds of the Bank and the applicable Delegated Manager receives a fee for such services. In their capacities as dual employees of BNYMIA, these Delegated Manager personnel provide investment advisory services to certain affiliated registered investment companies. In these capacities, they may also provide non-discretionary investment advisory services to unaffiliated managed account/wrap-fee accounts. The Delegated Managers receive a portion of the investment management fee received by BNYMIA for such services.

The Delegated Managers may also provide sub-advisory services to certain affiliated registered investment companies by serving as a sub-adviser to BNYMIA. For such services, the Delegated Managers receive a portion of the investment management fee received by BNYMIA from each investment company to which it renders advice.

**Other Relationships**

In addition, BNY Mellon personnel, including certain of our employees, may have board, advisory, or other relationships with issuers, distributors, consultants and others that may have investments in a private fund and/or related funds or that may recommend investments in a private fund or distribute interests in a private fund. To the extent permitted by applicable law, BNY Mellon and its affiliates, including us and our personnel, may make charitable contributions to institutions, including those that have relationships with investors or personnel of investors. As a result of the relationships and arrangements described in this paragraph, placement agents, consultants, distributors and other parties would have conflicts associated with their promotion of a private fund, or other dealings with a private fund, that create incentives for them to promote a private



fund.

BNY Mellon maintains, and we have adopted, a Code of Conduct that addresses these types of relationships and the conflicts of interest they present, including the provision and receipt of gifts and entertainment.

BNY Mellon, among several other leading investment management firms, has a minority equity interest in Kezar Markets, LLC (f/k/a Titan Parent Company, LLC), which owns Kezar Trading, LLC (f/k/a Luminex Trading and Analytics LLC) (“Kezar”), a registered broker-dealer under the Exchange Act that operates two alternative trading systems for securities (the “Alternative Trading Systems”). Transactions for clients for which we serve as adviser or sub-adviser may be executed through the Alternative Trading Systems. We and BNY Mellon disclaim that either is an affiliate of Kezar.

**Affiliated Broker-Dealers and Investment Advisers**

BNYMSC is affiliated with a significant number of advisers and broker/dealers. Please see our Form ADV, Part 1A - Schedule D, Section 7.A for a list of our affiliated advisers and broker-dealers. Several of our investment adviser affiliates have, collectively, a significant number of investment-related private funds for which a related person serves as sponsor, general partner or managing member (or equivalent), respectively. Please refer to the Form ADV, Part IA – Schedule D, Section 7.B for each of our affiliated investment advisers for information regarding such firm’s private funds (if applicable) and such firm’s Form ADV, Part IA – Schedule D, Section 7.A for information regarding related persons that serve in a sponsor, general partner or managing member capacity (if applicable).

Except with respect to BNYM MAP where our affiliate, Pershing LLC, provides certain execution, clearing and custodial services, we limit our selection of brokers for effecting purchases or sales of securities for client accounts to unaffiliated brokers only. Please refer to our Wrap Fee Program Brochure for more information concerning Pershing LLC’s role with respect to BNYM MAP.

We have broker selection policies in place that require our selection of a broker-dealer to be consistent with our duties of best execution, and subject to any client and regulatory proscriptions. Please also see Item 12 of our Delegated Managers’ firm Brochures for more information.

We may be prohibited or limited from effecting transactions for you because of rules in the marketplace, foreign laws or our own policies and procedures. In certain cases, we may face further limitations because of aggregation issues due to our relationship with affiliated investment management firms. Due to local market rules associated with aggregation of security ownership

with our affiliates we may be prevented from owning more of a particular security that we would otherwise want to own for client accounts. Please also refer to Item 12 of our Delegated Managers' Brochures for a discussion of trade aggregation issues.

**Affiliated Underwriters**

Our broker-dealer affiliates occasionally act as underwriter or as a member of the underwriting syndicate for certain new issue securities, which presents a conflict of interest because it creates an incentive for us to purchase these new issue securities in an effort to provide additional fees to the broker-dealer affiliate. As a matter of policy, however, we do not purchase new issue securities for discretionary client accounts.

BNY Mellon has established a policy regarding purchases of securities in an offering in which an affiliate acts as an underwriter or as a member of the underwriting syndicate. In compliance with applicable banking, securities and ERISA regulations, we may purchase on behalf of our clients securities in an offering in which an affiliate is acting as an underwriter or as a member of the underwriting syndicate during the syndication period, so long as requirements of the policy, including written approval and compliance with certain investment criteria, are met. The policy prohibits direct purchases from an affiliate for any fiduciary account under any circumstances.

**Affiliated Banking Institutions**

BNY Mellon engages in trust and investment business through various banking institutions, including the Bank and BNY Mellon, National Association. These affiliated banking institutions may provide certain services to us, such as recordkeeping, accounting, marketing services, and/or referrals of clients. We may provide the affiliated banking institutions with sales and marketing materials regarding our investment management services that may be distributed under the name of certain marketing "umbrella designations" such as BNY Mellon, BNY Mellon Wealth Management, BNY Mellon Investment Management, and BNY Mellon EMEA.

Certain clients may have established custodial or sub-custodial arrangements with the Bank and other financial institutions that are affiliated with us. Furthermore, the Bank and other financial institutions that are affiliated with us may provide services (such as trustee, custodial or administrative services) to issuers of securities. Because of their affiliation with us, our ability to purchase securities of such issuers and to take advantage of certain market opportunities may be subject to certain restrictions and in some cases, prohibited.

**Other Business Activities of BNYMSC and its Affiliates**

As a BNY Mellon company, BNYMSC may, from time to time, use the research staff, products, services and libraries of its affiliates and may consult with their portfolio managers. BNYMSC's affiliates are engaged in a broad range of financial services activities in the United States and abroad, and include banks, trust companies, broker-dealers, investment advisers, stock transfer agents, commodity pool operators, commodity trading advisers, municipal securities dealers and pension consultants, among other businesses. Certain of BNYMSC's affiliates serve as investment advisers of and provide other services to mutual funds and other investment companies, including the BNY Mellon Funds that are used as options in BNYM MAP. BNYMSC's arrangements with the BNY Mellon Funds and their service providers are material to BNYMSC's business as an investment adviser. In addition, from time to time, BNYMSC and certain of its affiliates may refer investment advisory clients or other business to each other, as permitted by applicable law and rules, and these arrangements may become material to BNYMSC's investment advisory business.

The client should be aware that BNYMSC and its affiliated entities maintain various types of financial and other relationships with financial or other institutions, entities and persons.

Services provided by BNYMSC, BNY Mellon Investment Adviser and their affiliates for the BNY Mellon Funds include investment advice, administration, distribution and transfer agency services. Although it is not possible to determine accurately the amount of time that BNYMSC devotes to any one of the wide range of financial activities in which it is engaged, BNYMSC's principal business is the sale of mutual funds advised by its affiliates.

BNYMSC and its representatives may give advice and take action in the performance of their duties for a client that differs from advice given, or the timing and nature of action taken, with respect to other clients or for themselves. Personal trading by BNYMSC employees must be conducted in compliance with all applicable laws and the BNY Mellon Personal Securities Trading Policy that governs BNY Mellon and its subsidiaries, including BNYMSC.

As described in Item 4 above, we may be retained by affiliated and non-affiliated investment managers to provide administrative and support services ("Administrative Services") in connection with the investment advisory services that such managers have agreed to perform for wrap accounts of financial services firms who sponsor wrap fee investment programs. In that capacity, we have a business relationship with an unaffiliated investment manager (the "Unaffiliated Investment Manager") pursuant to which we may be retained and compensated by such manager in order to: (i) provide administrative and support services in connection with third

party wrap programs where the Unaffiliated Investment Manager directly contracts with the third party wrap program sponsors to provide investment advisory services and (ii) solicit potential wrap program sponsors to offer the strategies and/or models of such Unaffiliated Investment Manager as part of these wrap programs. These arrangements, in turn, create a conflict because to the extent we are successful in soliciting a wrap program sponsor to offer an Unaffiliated Investment Manager's strategies and/or models, then we will not only receive a solicitation fee, but will also be compensated for providing the resulting administrative services.

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

### **Code of Ethics, Participation or Interest in Client Transactions, Personal Trading**

We have adopted a Code of Ethics that is made up of two parts:

1. BNY Mellon Code of Conduct (the "BNY Mellon Code"); and
2. BNY Mellon Personal Securities Trading Policy (the "PSTP").

The BNY Mellon Code of Conduct sets expectations for business conduct for employees and provides guidance on important legal and ethical issues. In addition, it clarifies the Firm's responsibilities to clients, suppliers, government officials, competitors and the communities we serve. BNY Mellon's Code of Conduct covers the following key principles:

1. Respecting Others: We are committed to fostering an inclusive workplace where talented people want to stay and develop their careers. Supporting a diverse, engaged workforce allows us to be successful in building trust, empowering teams, serving our clients and outperforming our peers. We give equal employment opportunity to all individuals in compliance with legal requirements and because it's the right thing to do.
2. Avoiding Conflicts: We make our business decisions free from conflicting outside influences. Our business decisions are based on our duty to BNY Mellon and our clients and are not driven by any personal interest or gain. We are to remain alert to any and all potential conflicts of interest and ensure that we identify, mitigate or eliminate any such conflicts.
3. Conducting Business: We secure business based on honest competition in the marketplace. This contributes to the success of our company, our clients and our shareholders. We

compete in full compliance with all applicable laws and regulations. We support worldwide efforts to combat financial corruption and financial crime.

4. Working with Governments: We follow all requirements that apply to doing business with governments. We recognize that practices for dealing with private and government clients are different from a legal perspective.
5. Protecting Company Assets: We ensure all entries made in the company's books and records are complete and accurate and comply with established accounting and record-keeping procedures. We maintain confidentiality of all forms of data and information entrusted to us and prevent the misuse of information belonging to the company or any client.
6. Supporting Our Communities: We take an active part in our communities around the world, both as individuals and as a company. Our long-term success is linked to the strength of the global economy and the strength of our industry. We are honest, fair and transparent in our interactions with our communities and the public at large.

As a global financial institution, BNY Mellon and its subsidiaries are subject to certain laws and/or regulations governing the personal trading of securities. In order to ensure that all employees' personal investments are conducted in compliance with the applicable rules and regulations and are free from conflicts of interest, the Company has established limitations on personal trading, as reflected in the PTSP.

The PSTP sets forth procedures and limitations that govern the personal securities transactions of our employees in accounts held in their own names as well as accounts in which they have indirect ownership. We, and our related persons and employees, may, under certain circumstances and consistent with the PSTP, purchase or sell for their own accounts securities that we also recommend to clients.

The PSTP imposes different requirements and limitations on employees based on the nature of their business activities. Each of our employees is classified as one of the following:

1. Investment/Public Employee ("IE"): IE is an employee who, in the normal conduct of his/her job responsibilities, is on the "public side" of the Information Barrier in accordance with BNY Mellon's Information Barrier Policy and has access (or is likely to be perceived to have access) to nonpublic information regarding any advisory client's purchase or sale of securities or nonpublic information regarding the portfolio holdings of any Proprietary Fund (defined as a fund sponsored, managed or subadvised

- by BNY Mellon or any of its affiliates), is involved in making securities recommendations to advisory clients, or has access to such recommendations before they are public.
2. Access Decision Maker (“ADM”): Generally, employees are considered to be ADM Employees if they are portfolio managers or research analysts and make or participate in recommendations or decisions regarding the purchase or sale of securities for mutual funds or managed accounts. Portfolio managers of broad-based index funds and traders are not typically classified as ADM Employees.
  3. Insider Risk Employee (“IR”): IR is an employee who in the normal course of business are likely to receive material non-public information regarding issuer clients. These employees are on the “private side” of the Information Barrier in accordance with BNY Mellon’s Information Barrier Policy.
  4. Non-Classified Employee: Our employees are considered non-classified if they are not an IE, IR or ADM.

PSTP Overview:

1. IE, ADM, and IR employees are subject to preclearance and personal securities reporting requirements, with respect to discretionary accounts in which they have direct or indirect ownership.
2. Transaction reporting is not required for non-discretionary accounts, transactions in exempt securities or certain other transactions that are not deemed to present any potential conflicts of interest.
3. Preclearance is not required for transactions involving certain exempt securities (such as ETFs and open-end investment company securities that are not Proprietary Funds or money market funds and short-term instruments, non-financial commodities; transactions in non-discretionary accounts (approved accounts over which the employee has no direct or indirect influence or control over the investment decision-making process); transactions done pursuant to automatic investment plans; and certain other transactions detailed in the PSTP which are either involuntary or deemed not to present any potential conflict of interest.
4. We have a “Preclearance Compliance Officer” who maintains a “restricted list” of companies whose securities are subject to trading restrictions. This list is used by the PTA System to determine whether or not to grant trading authorization.

5. The acquisition of any securities in a private placement requires prior written approvals.
6. With respect to transactions involving BNY Mellon securities, all employees are also prohibited from engaging in short sales, purchases on margin, option transactions (other than employee option plans), and short-term trading (i.e., purchasing and selling, or selling and purchasing BNY Mellon securities within any 60 calendar day period).
7. For IE, ADM, and IR employees, with respect to non-BNY Mellon securities, purchasing and selling, or selling and purchasing the same or equivalent security within 30 calendar days is prohibited, and any profits must be disgorged.
8. No covered employee should knowingly participate in or facilitate late trading, market timing or any other activity with respect to any fund in violation of applicable law or the provisions of such fund's disclosure documents.

A copy of our Code of Ethics will be provided upon request.

**Interest in Client Transactions**

Note that while each of the following types of transactions present conflicts of interest for us, as described below, we manage our accounts consistent with applicable law, and we follow procedures that are reasonably designed to treat our clients fairly and to prevent any client or group of clients from being systematically favored or disadvantaged.

***Wrap Program clients should also review the Brochures of the Delegated Managers and/or Program Sponsors, as applicable, which will contain additional information about those firms' investment advisory Services.***

**Principal Transactions**

“Principal transactions” are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys any security from or sells any security to any client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated pooled investment vehicle and another client account. We do not engage in principal transactions.

While we do not engage in principal transactions, we are part of a large diversified financial organization, which includes banks and broker-dealers. As a result, it is possible that an affiliate, may, as principal, purchase securities from, or sell securities to, our clients.

**Cross Transactions**

We do not engage in cross transactions.

**Transactions in Same Securities**

We or our affiliates may invest in the same securities that we or our affiliates recommend to clients. When we or an affiliate currently holds for our own benefit the same securities as a client, we have a conflict of interest. For example, we or our affiliate could be seen as harming the performance of the client's account for our own benefit if we short sell the securities in our own account while holding the same securities long in the client account, causing the market value of the securities to move lower.

**Interests in Recommended Securities/Products**

We or our affiliates may recommend securities to clients, or buy or sell securities for client accounts, at or about the same time that we or one of our affiliates buys or sells the same securities for our (or the affiliate's) own account. This practice gives rise to a variety of conflicts of interest, particularly with respect to aggregating, allocating and sequencing securities being purchased on both our (or our affiliate's) behalf and our clients' behalf. For example, we have an incentive to cause a client or clients to participate in an offering because we desire to participate in the offering on our own behalf and would otherwise be unable to meet the minimum purchase requirements. Likewise, we have an incentive to cause our clients to participate in an offering to increase our overall allocation of securities in that offering, or to increase our ability to participate in future offerings by the same underwriter or issuer. On the other hand, we have an incentive to cause our clients to minimize their participation in an offering that has limited availability so that we do not have to share a proportionately greater amount of the offering to the client. Allocations of aggregated trades likewise raise a conflict of interest as we have an incentive to allocate securities that are expected to increase in value to ourselves. See Item 12 for a discussion of our brokerage and allocations practices and policies. Further, a conflict of interest could arise if a transaction in our own account closely precedes a transaction in related securities in a client account, such as when a subsequent purchase by a client account increases the value of securities that were previously purchased for ourselves.

We or a related person may recommend the purchase of securities in certain private funds which BNYM Investment Adviser or our affiliates manage and for which BNYM Investment Adviser or our affiliate may serve as sole director or managing member or collective investment funds maintained by the Bank (which are managed by personnel of BNYM Investment Adviser or one



of our affiliates in their roles as dual officers of the Bank and for which BNYM Investment Adviser or our affiliate, as applicable, receive a fee and the Bank may receive a custodial fee for custody services). BNY Mellon, or certain of its employees, or related persons, may currently invest in certain private funds or collective funds that also include client assets managed by BNY Mellon, BNYM Investment Adviser, or their affiliates, and they and such related persons will receive proportional returns associated with such investment. Additionally, in many instances we receive an investment management fee in our capacity as investment adviser or sub-adviser and related persons (including affiliated broker-dealers) receive certain amounts associated with placement agent fees, custodial fees, administrative fees, loads, or sales charges.

**Investments by Related Persons and Employees**

We and our existing and future employees, our board members, and our affiliates and their employees may from time to time invest in products managed by us. We have developed policies and procedures to address any conflicts of interest created by such investment. We are part of a large diversified financial organization that includes banks and broker-dealers. As a result, it is possible that a related person may, as principal, purchase securities or sell securities for itself that we also recommend to clients. We do permit our employees to invest for their own account within the guidelines and restrictions of the Code of Ethics, as described above. For more information, please see “Interests in Recommended Securities/Products” in this Item 11, and “Dual Officers and Dual Employees” in Item 10 of this Brochure.

**Agency Transactions Involving Affiliated Brokers**

Neither we, nor any of our officers or directors, acting as broker or agent, effects securities transactions for compensation for any client. We are part of a large diversified financial organization that includes broker-dealers. As a result, it is possible that a related person, other than our officers and directors, may, as agent, effect securities transactions for our clients for compensation. Please also see additional information relating to affiliate arrangements and with regard to purchases of securities in an offering where an affiliate acts as underwriter or a member of the underwriting. Please also see Schedule D, Section 7A of our Form ADV Part 1 for a list of broker-dealers which are our affiliates.

## **Item 12. Brokerage Practices**

### **Wrap Programs**

With respect to Model Delivery Programs, BNYMSC provides the model portfolios to the Program Sponsor, who then executes securities transactions on behalf of the Wrap Clients.

With respect to Traditional Wrap Programs, BNYMSC executes transactions in Wrap Accounts generally through the Program Sponsor unless executing trades with a non-sponsoring firm may result in more favorable execution to the Wrap Client. Accordingly, to facilitate obtaining best execution for Wrap Clients, BNYMSC may, at its discretion, facilitate trade execution for Wrap Client transactions with a non-sponsoring firm. We may do so for a variety of reasons, including the type or liquidity of the securities we are buying or selling, or because we are aggregating trades for Wrap Clients of one Program Sponsor with trades for Wrap Clients of other Program Sponsors. The corresponding brokerage commissions and associated transaction costs for such “trading away” activity will not be included in the wrap fee paid by the Wrap Client to the Program Sponsor and instead will represent additional costs borne by the Wrap Client; however, this will not increase the advisory fee paid to or billed by BNYMSC. Wrap Clients should also note that such brokerage commissions and associated transaction costs may be built into the net price of the investment, as reflected on trade confirmations, as opposed to being separately itemized.

In connection with the Strategies for Traditional Wrap Programs currently offered by BNYMSC and which were available and contained Wrap Client assets during calendar year 2023 - BNYM Newton International Equity, BNYM Newton Global Equity, BNYM Newton Global Equity Income ADR, BNYM Newton Small Mid Cap Growth and BNYM Walter Scott International Stock ADR - the average dollar-weighted percentage of transactions traded away by BNYMSC during the twelve months through December 31, 2023 across the Wrap Client accounts in each Strategy was 45.50%, 23.52%, 0.00%, 0.00% and 12.12%, respectively. With respect to all five Strategies, the additional cost incurred by Wrap Clients with respect to each such transaction ranged from 0 - 4 cents per share (or, for commissions charged on a percentage rather than per share basis, approximately 0 - 10 basis points of the value of each trade).

In addition to the fees and expenses described above, certain routine trading costs associated with the day-to-day investment management of a Wrap Account may, depending upon the provisions of a particular Wrap Program, not be included in a Wrap Client’s wrap fee and may therefore represent additional costs to the Wrap Client. In general, these may include (but are not necessarily limited to) the SEC fee imposed on sales of US securities and the transaction taxes imposed by

certain non-US countries with respect to the purchase and sale of securities of certain issuers domiciled in those countries. With respect to trading away activity in the BNYM Newton International Equity, BNYM Newton Global Equity, BNYM Newton Global Equity Income ADR and BNYM Walter Scott International Stock ADR Strategies, additional trading-related costs, such as non-US local market transaction taxes and ADR conversion charges, may also apply.

For the reasons described above, with respect to both Traditional Wrap and Model Delivery Programs it is not always possible for us to aggregate client transactions pursuant to our trade aggregation procedures except when we direct transactions in a Traditional Wrap Program to a non-sponsoring broker-dealer in an effort to seek best execution. To help ensure fair and equitable treatment of all clients, changes to our investment strategy models are disseminated to us when implemented by the Delegated Manager. Upon completion of our initial order preparation, we in turn communicate such model revisions to all Program Sponsors for the same strategy at or near the same time. As a result, there may be instances in which a Delegated Manager and one or more Program Sponsors are executing trades for their clients at the same time that we are executing trades in the same securities. This could lead to competing orders for the same securities, potentially harming execution quality. In an effort to mitigate this adverse consequence and help ensure fair and equitable treatment across the respective clients of the Delegated Manager, BNYMSC and the Program Sponsors, BNYMC may seek to communicate with the applicable Delegated Manager, and to coordinate trading proportionally to assets under management with the Program Sponsors, when the combined order size in that security is anticipated to exceed certain trading volume thresholds.

While, as described under *Third-Party Wrap Programs* in Item 4 of this Brochure, we do not currently advise any Dual-Contract Program Wrap Accounts, our brokerage selection and coordinated trading processes as described in this Item 12 with respect to Traditional Wrap Programs would also apply to Dual-Contract Programs.

### **Other Brokerage Practices**

*The following describes our policies when we facilitate non-mutual fund client transactions with a broker-dealer other than the Program Sponsor:*

**Broker Selection:** We have the authority to direct securities transactions on behalf of our discretionary clients to broker-dealers we select from The Bank of New York Mellon Corporation's Approved Broker List. In doing so, we seek best execution of such transactions. When seeking best execution, we consider the full range and quality of a broker-dealer's services including, among other things, commission rates/trading costs, a broker's trading expertise,

reputation and integrity, willingness and ability to commit capital, reliability both in executing and settling trades, fairness in resolving disputes, value provided in a market, execution capability, financial responsibility and responsiveness to the Firm. Please also see the discussion concerning the Volcker Rule and its possible implications concerning our broker-dealer selection practices in Item 10 above.

**Soft Dollars:** We do not use/receive research or other products or services other than execution from a broker-dealer or third party in connection with client securities transactions.

**Affiliated Broker/Dealers:** Except with respect to the wrap fee investment program we sponsor, described on Page 5 of this Brochure, we do not direct securities transactions to any affiliated broker-dealer unless directed to by the Program Sponsor. Certain unaffiliated broker-dealers used by us to execute trades may use a broker-dealer who is our affiliate to clear those trades. In such cases, the clearing broker receives a clearance fee negotiated and paid by the executing broker-dealer. The decision to use one of our affiliates in these circumstances is made by the unaffiliated executing broker-dealer, and we have no influence over whether a broker-dealer we select for execution of client trades clears through one of our affiliates, or if so the financial arrangement between them.

**Affiliated Depository Agent:** From time to time, we will use an unaffiliated broker-dealer to convert local shares of a foreign security into an American Depository Receipt (“ADR”) shares or ADR shares into local shares. In certain cases, the unaffiliated broker-dealer may use BNY Mellon as a depository agent.

**Brokerage/Compensation for Client Referrals:** We do not direct securities transactions to, or otherwise compensate, any broker-dealer in exchange for referral of investment management clients.

**Directed Brokerage:** We will participate in directed brokerage only if directed by the Program Sponsor and a contractual arrangement is in place. In the event that such direction occurs, we may have limited capability to negotiate commission rates or obtain volume discounts. As a result, the net price paid or received by the directed account may be different than the price paid or received by our other accounts.

Overall, any instruction that we use a certain broker-dealer or restrict trading with a particular broker-dealer may cause a client to pay higher commissions, receive less favorable net prices or investment results, or incur additional custodial or other external administrative charges than would be the case if we were authorized to choose the broker-dealers through which to execute

transactions.

**Trade Aggregation:** We will aggregate certain client transactions (i.e., the purchase or sale of securities of the same issuer with purchases or sales on behalf of other client accounts trading in the same security on the same day) when we determine that it is in the best interest of all clients. Each client participating in an aggregated transaction within a trading day will do so at the same average price where possible.

**Trade Allocation:** Allocation of an aggregated order is prepared prior to the execution of the aggregated trade. If an aggregated order is filled in its entirety, the order must be allocated in accordance with the allocation specified. Aggregated trades are allocated at the average price of the aggregated order. Generally, if an aggregated order is partially filled, the order will be allocated among the participating accounts on a pro-rata basis in proportion to the intended allocation. We may, however, if required in our judgment, deviate from pro rata allocation on partially filled orders to help prevent odd lot position sizes or similar outcomes that may not be desirable for clients' accounts.

**New Issue Allocation:** BNYMSC does not currently purchase new issues for client accounts. To the extent we seek to purchase new issues in the future, we will adopt policies and procedures designed to help ensure fair and equitable treatment of clients.

**Trade Errors:** Our policy is to correct trading and operational errors we make and to reimburse client accounts to the extent that any such error, in aggregate across the participating client accounts, results in a loss of \$25 or more.

### **Item 13. Review of Accounts**

In addition to the account review activities that may be performed by Program Sponsors, we perform various oversight activities with respect to the discretionary client accounts we manage in Traditional Wrap and Dual-Contract Programs and the model portfolios we provide to Model Delivery Programs.

These include, where applicable, verifying compliance with Strategy, Wrap Program and Wrap Client investment restrictions; monitoring best execution efforts and investment performance dispersion; conducting Wrap Account-level position reconciliations; performing oversight of Delegated Managers; and conducting similar supervisory and oversight-related functions. We monitor investments in Traditional Wrap Programs on a daily, weekly and quarterly basis by monitoring cash positions, verifying compliance with investment restrictions, monitoring account position drift vs. the investment strategy model and monitoring account investment performance.

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

Our ultimate parent, BNY Mellon, has organized its lines of business into three groups: Investment Management, Wealth Management and Investment Services (collectively “Groups”). We are part of the Investment Management Group. A sales force has been created to focus on developing new customer relationships and developing and coordinating large complex existing customer relationships within those Groups. In certain circumstances, Investment Management sales representatives are paid fees for sales. The fees may be based on revenues and may be a one-time payment or paid out over a number of years.

In particular, members of this sales force: (i) acting as representatives of BNYMSC in our capacity as investment adviser, may solicit prospective clients with respect to the institutional separate account products and strategies of our affiliates, including the Delegated Managers and (ii) acting as registered representatives of BNYMSC in our capacity as broker-dealer, may sell alternative investment products (such as private funds) managed by our affiliates, including products managed by the Delegated Managers. We receive compensation from these affiliates in connection with successful referrals or sales, respectively, typically as a percentage of the revenue received by the manager attributable to the client. We, in turn, compensate these salespeople from the compensation we receive.

These arrangements create a conflict of interest for us in recommending the affiliated Delegated Managers because we have a financial incentive to do business with these affiliates generally. We address this conflict by disclosing it to you and through oversight of the Delegated Managers.

However, we do not currently compensate any affiliates or third parties for referring clients to us, nor do we direct securities transactions to any broker-dealer in exchange for referral of investment management clients.

## **Item 15. Custody**

Rule 206(4)-2 under the Advisers Act (the “Custody Rule”) defines “custody” to include a situation in which an adviser or a related person holds, directly or indirectly, client funds or securities or has any authority to obtain possession of them, in connection with advisory services provided by the adviser.

BNYMSC does not have “custody” of Wrap Client assets in the Wrap Programs for purposes of the Custody Rule.

With respect to the BNY Mellon Managed Asset Program we sponsor, we are subject to certain provisions of the Custody Rule since our affiliate, Pershing LLC, maintains custody of assets for such clients; please refer to our Form ADV Part 2A, Appendix 1 – Wrap Fee Program Brochure for more information.

### **Item 16. Investment Discretion**

For Wrap Accounts where we have investment discretion, we will exercise any such investment discretion that has been granted to us in a manner consistent with the stated investment guidelines and restrictions for the particular Wrap Client's account and the terms and conditions of our agreement with the Program Sponsor and/or the Wrap Client. If we are unable to accommodate any Wrap Client's guidelines or restrictions, we will inform the Program Sponsor and determine how to proceed in consultation with such Program Sponsor.

BNYMSC does not have discretionary investment authority over any Wrap Accounts with respect to Model Delivery Programs

### **Item 17. Voting Client Securities**

With respect to client accounts for which we have investment discretion or are otherwise contractually required, we exercise the voting rights delegated to us by clients or the Program Sponsor. Voting rights are most commonly exercised by casting votes by proxy at shareholder meetings on matters that have been submitted to shareholders for approval. Consistent with applicable rules under the Advisers Act, we have adopted and implemented written proxy voting policies and procedures (the “Proxy Policies”) that are reasonably designed: (1) to vote proxies, consistent with our fiduciary obligations, in the best interests of clients; and (2) to prevent conflicts of interest from influencing proxy voting decisions made on behalf of clients. We provide these proxy voting services as part of our investment management service to client accounts and do not separately charge a fee for this service.

If presented with a proxy voting opportunity, we will seek to make voting decisions that are in the best interest of the client and have adopted detailed, pre-determined, written proxy voting guidelines for specific types of proposals and matters commonly submitted to shareholders by U.S. and non-U.S. companies (collectively, the “Voting Guidelines”). These Voting Guidelines are designed to assist with voting decisions which over time seek to maximize the economic value of the securities of companies held in client accounts (viewed collectively and not individually) as determined in our discretion. We believe that this approach is consistent with our fiduciary

obligations and with the published positions of applicable regulators with an interest in such matters (e.g., the U.S. Securities and Exchange Commission and the U.S. Department of Labor).

Clients who have granted us with voting authority are not permitted to direct us on how to vote in a particular solicitation. With respect to clients that have not granted us voting authority over securities held in their accounts and choose either to retain proxy voting authority or to delegate proxy voting authority to another firm (whether such retention or delegation applies to all or only a portion of the securities within the client's account), either the client's or such other entity's chosen proxy voting guidelines will apply to those securities. We generally do not provide proxy voting recommendations to clients who have not granted us voting authority over their securities.

If we receive a proxy from a non-U.S. company, we will seek to effect a vote decision through the application of the Voting Guidelines. However, corporate governance practices, disclosure requirements and voting operations vary significantly among the various non-U.S. markets in which our clients may invest. In these markets, we may face regulatory, compliance, legal or logistical limits with respect to voting securities held in client accounts which can affect our ability to vote such proxies, as well as the desirability of voting such proxies. Non-U.S. regulatory restrictions or company-specific ownership limits, as well as legal matters related to consolidated groups, may restrict the total percentage of an issuer's voting securities that we can hold for clients and the nature of our voting in such securities. Our ability to vote proxies may also be affected by, among other things: (1) late receipt of meeting notices; (2) requirements to vote proxies in person; (3) restrictions on a foreigner's ability to exercise votes; (4) potential difficulties in translating the proxy; (5) requirements to provide local agents with unrestricted powers of attorney to facilitate voting instructions; and (6) requirements that investors who exercise their voting rights surrender the right to dispose of their holdings for some specified period in proximity to the shareholder meeting. Absent an issue that is likely to impact clients' economic interest in a company, we generally will not subject clients to the costs (which may include a loss of liquidity) that could be imposed by these requirements. In these markets, we will weigh the associative costs against the benefit of voting and may refrain from voting certain non-U.S. securities in instances where the items presented are not likely, in our view, to have a material impact on shareholder value.

### **Process**

With respect to U.S.-based and Japan-based issuers and companies, we utilize internally developed Voting Guidelines. With respect to issuers and companies domiciled in other jurisdictions, our Voting Guidelines consist of standardized guidelines for those jurisdictions provided by an independent, third-party proxy advisor (the "Proxy Advisor"). The Voting Guidelines in all instances are intended to address routine, non-controversial proxy proposals.



We have also engaged the Proxy Advisor to serve as our proxy agent to administer the mechanical, non-discretionary elements of proxy voting and reporting for clients. The Proxy Advisor is directed, in an administrative role, to follow the specified Voting Guideline and apply it to each applicable proxy proposal or matter where a shareholder vote is sought. Accordingly, proxy items that can be appropriately categorized and matched either will be voted in accordance with the applicable Voting Guideline or will be referred to us if the Voting Guideline so requires. The Voting Guidelines require referral to us of all proxy proposals or shareholder voting matters for which there is not an established applicable Voting Guideline, and generally for those proxy proposals or shareholder voting matters that are contested or similarly controversial. We will, in turn, refer such proxy proposals to the relevant Delegated Manager for the purpose of obtaining non-binding proxy voting recommendations in respect of such matters. In cases where we are unable to obtain, or to timely obtain, such proxy voting recommendations directly from the applicable Delegated Manager, we will seek to apply the Proxy Advisor's applicable standardized guideline for the proposal and jurisdiction in question, where available. Clients may receive a copy of the Voting Guidelines, as well as our Proxy Voting Policy, upon request. Clients may also receive information on the proxy voting history for their managed accounts upon request. Please contact us for more information.

**Managing Conflicts:**

It is our policy to make proxy voting decisions that are solely in the best long-term economic interests of clients. We are aware that, from time to time, voting on a particular proposal or with regard to a particular issuer may present a potential for conflict of interest for us. For example, potential conflicts of interest may arise when: (1) a public company or a proponent of a proxy proposal has a business relationship with a BNY Mellon affiliated company; and/or (2) an employee, officer or director of BNY Mellon or one of its affiliated companies has a personal interest in the outcome of a particular proxy proposal.

Aware of the potential for conflicts to influence the voting process, we have consciously developed the Voting Guidelines and their application with several layers of controls that are designed to ensure that our voting decisions are not influenced by interests other than those of our clients. For example, we developed the Voting Guidelines with the assistance of internal and external research and recommendations provided by third party vendors but without consideration of any BNY Mellon client relationship factors. We have directed our Proxy Advisor to apply the Voting Guidelines to individual proxy items in an objective and consistent manner across client accounts. When proxies are voted in accordance with these pre-determined Voting Guidelines, it is our view that these votes do not present the potential for a material conflict of interest and no additional

safeguards are needed.

For those proposals that are referred to us in accordance with the Voting Guidelines or our direction, we seek to make voting decisions based upon the principle of maximizing the economic value of the securities held in client accounts. In this context we seek to address the potential for conflicts presented by such “referred” items through utilization of the independent expertise of our Delegated Managers.

With respect to the potential for personal conflicts of interest, BNY Mellon’s Code of Conduct requires that all employees make business decisions free from conflicting outside influences. Under this Code, BNY Mellon employees’ business decisions are to be based on their duty to BNY Mellon and to their clients, and not driven by any personal interest or gain. All employees are to be alert to any potential for conflict and to identify and mitigate or eliminate any such conflict. Accordingly, employees with a personal conflict of interest regarding a particular public company or proposal that is being voted upon must recuse themselves from participation in the discussion and decision-making process with respect to that matter.

Additionally, as described below, we have developed specific protocols for instances involving actual or potential conflicts of interest involving ourselves or our ultimate corporate parent, BNY Mellon. Conflicts involving BNYMSC typically arise due to relationships between proxy issuers (or companies) and BNYMSC and/or its employees, executives, officers or directors (“BNYMSC Conflicts”). BNYMSC Conflicts may include proxies issued by a company for which a BNYMSC employee, executive, officer or director serves as a Board member; proxies issued by a company that is a current client of BNYMSC (such as a wrap fee program sponsor) and that contributed materially to BNYMSC’s total revenue as of the end of the last fiscal quarter; and other proxies deemed to present an actual, potential or perceived material conflict because of a relationship between a proxy issuer and BNYMSC and/or its executive officers or directors. In addition, BNY Mellon has established a Proxy Voting Conflicts Policy (“BNYM Policy”) that establishes the required actions and reporting protocols for business units that have discretionary authority to vote proxies on behalf of clients (each, a “Voting Firm”) when actual or potential conflicts of interest involving BNY Mellon itself arise. The BNYM Policy identifies several specific types of proxy solicitations that are considered “Primary Conflicts” for all Voting Firms (including BNYMSC) and directs the manner in which such Primary Conflicts are to be addressed (e.g., application of written guidelines, delegation to independent fiduciary, abstention, client consent, etc.). The BNYM Policy also identifies those situations that, while not identified as a Primary Conflict, may present an actual, potential or perceived material conflict because of a relationship between a proxy issuer and BNY Mellon or its executive officers or Board of Directors (a “Secondary Conflict”).

The BNY Mellon Policy has further established the BNY Mellon Proxy Voting Conflicts Committee (the “PCC”) with responsibility (among others) to (1) maintain and approve changes to the BNYM Policy; (2) confirm whether a “Primary Conflict” or “Secondary Conflict” exists if unclear; (3) provide interpretive guidance and/or determine how certain actual or potential conflicts should be addressed; and (4) periodically review proxy conflict decisions as reported by the Voting Firms.

The BNY Mellon Policy requires each BNY Mellon investment adviser to establish a proxy voting conflicts committee or, alternatively, to delegate that function to the PCC. BNYMSC has adopted the latter approach and accordingly will present to the PCC for consideration and direction any need for guidance (1) to determine whether a certain situation should be treated as a BNYMSC Conflict, Primary Conflict or Secondary Conflict, and (2) the manner in which such actual or potential conflicts should be addressed.

The PCC will have sole discretion to determine how a BNYMSC Conflict, Primary Conflict or Secondary Conflict is to be addressed -- to the extent a situation is not addressed sufficiently under the applicable policy or if BNYMSC deems the applicable policy to be unclear and PCC guidance is needed. Depending on the circumstances, the PCC may determine that the situation: (1) does not rise to the level of a material conflict of interest and will not prohibit BNYMSC from voting the proxy; or (2) does present a material conflict of interest requiring some form of mitigation by BNYMSC. The PCC may direct any conflict mitigation approach it deems necessary and appropriate (e.g., voting in accordance with the guidance of an independent fiduciary; voting in proportion to other shareholders (“mirror voting”); abstaining from voting; erecting informational barriers around, or recusal from the vote decision making process by, the person or persons making voting decisions; obtaining client consent; or voting in other ways that are consistent with our obligation to vote in our clients’ best interest.

**Controls and Oversight:**

We currently apply our proxy voting policies and procedures uniformly across client accounts, without distinction based on investment strategy or client type, but maintain processes designed to periodically re-evaluate this approach and determine its ongoing appropriateness.

In addition, we, or the PGT on our behalf, perform a variety of qualitative and quantitative evaluations and maintain processes designed to: i) incorporate additional information that may become available about a pending proxy proposal that would reasonably be expected to affect our voting decision; ii) conduct monitoring to verify that proxy votes have been cast in accordance with the Voting Guidelines or our specific direction, as applicable, and that the number of proxies

voted falls within our reconciliation tolerances; iii) verify the continued efficacy and applicability of the Voting Guidelines; iv) help ensure the adequacy, transparency and sufficiently broad dissemination of our proxy voting disclosures; v) periodically review the adequacy of our proxy voting policies and procedures to ensure that they have been reasonably formulated and effectively implemented and are reasonably designed to ensure that we continue to cast proxy votes in the best interest of our clients; and vi) conduct due diligence oversight of the Proxy Advisor and qualitatively determine whether continued engagement of the Proxy Advisor is warranted. (This due diligence oversight includes, but is not limited to, annual completion of a comprehensive due diligence questionnaire and provision of a detailed policy and procedure inventory by the Proxy Advisor; annual provision by the Proxy Advisor of a detailed control evaluation performed by an independent auditor; submission of an annual compliance, regulatory and conflicts-related attestation by the Proxy Advisor's Chief Compliance Officer; and periodic due diligence meetings and on-site visits conducted by the PGT.)

## **Item 18. Financial Information**

In certain circumstances, registered investment advisers are required to provide you with financial information or disclosures about their financial condition in this Item. BNYMSC has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has never been the subject of a bankruptcy proceeding.

## **Appendix A**

**American Depository Receipts and Global Depository Receipts risk.** American depository receipts ("ADRs") are receipts issued by a U.S. bank or trust company evidencing ownership of underlying securities issued by non-U.S. issuers. ADRs may be listed on a national securities exchange or may be traded in the over-the-counter market. Global depository receipts ("GDRs") are receipts issued by either a U.S. or non-U.S. banking institution representing ownership in a non-U.S. company's publicly traded securities that are traded on non-U.S. stock exchanges or non-U.S. over-the-counter markets. Holders of unsponsored ADRs or GDRs generally bear all the costs of such facilities. The depository of an unsponsored facility frequently is under no obligation to distribute investor communications received from the issuer of the deposited security or to pass through voting rights to the holders of depository receipts in respect of the deposited securities. Investments in ADRs and GDRs pose, to the extent not hedged, currency exchange risks (including blockage, devaluation and non-exchangeability), as well as a range of other potential risks relating to the underlying shares, which could include expropriation, confiscatory taxation, imposition of withholding or other taxes on dividends, interest, capital gains, other income or gross sales or disposition proceeds, political or social instability or diplomatic developments that could affect investments in those countries, illiquidity, price volatility and market manipulation. In addition, less information may be available regarding the underlying shares of ADRs and GDRs, and non-U.S. companies may not be subject to accounting, auditing and financial reporting standards and requirements comparable to, or as uniform as, those of U.S. companies. Such risks may have a material adverse effect on the performance of such investments and could result in substantial losses.

**Allocation risk.** The asset classes in which a strategy seeks investment exposure can perform differently from each other at any given time (as well as over the long term), so a strategy will be affected by its allocation among the various asset classes. If the strategy favors exposure to an asset class during a period when that class underperforms, performance may be hurt.

**Banking industry risk.** The risks generally associated with concentrating investments in the banking industry, such as interest rate risk, credit risk and regulatory developments relating to the banking industry.

**Clearance and settlement risk.** Many emerging market countries have different clearance and settlement procedures from developed countries. There may be no central clearing mechanism for settling trades and no central depository or custodian for the safe keeping of securities. The registration, record-keeping and transfer of instruments may be carried out manually, which may cause delays in the recording of ownership. Increased settlement risk may increase counterparty

and other risk. Certain markets have experienced periods when settlement dates are extended, and during the interim, the market value of an instrument may change. Moreover, certain markets have experienced periods when settlements did not keep pace with the volume of transactions resulting in settlement difficulties. Because of the lack of standardized settlement procedures, settlement risk in emerging markets is more prominent than in more mature markets.

**Concentration risk.** A strategy may have a concentrated portfolio due to investment in a limited number of securities, giving rise to concentration risk. A fall in the value of a single security may have a greater impact on the strategy's value than if the strategy had a more diversified portfolio.

**Correlation risk.** Although the prices of equity securities and fixed income securities, as well as other asset classes, often rise and fall at different times so that a fall in the price of one may be offset by a rise in the price of the other, in down markets the prices of these securities and asset classes can also fall in tandem. Additionally, where a strategy seeks to deliver returns that are not typically representative of the broad market by allocating its assets among satellite asset categories or investment strategies, there can be no guarantee that the performance of the underlying funds or the fund will have a low correlation to that of traditional asset classes under all market conditions.

**Counterparty risk.** Under certain conditions, a counterparty to a transaction, including repurchase agreements and derivative instruments, could fail to honor the terms of the agreement, default and the market for certain securities or financial instruments in which the counterparty deals may become illiquid.

**Country, industry and market sector allocation risk.** A strategy may be overweighted or underweighted, relative to the benchmark index, in companies in certain countries, industries or market sectors, which may cause the strategy's performance to be more or less sensitive to positive or negative developments affecting these countries, industries or sectors. In addition, a strategy may, from time to time, invest a significant portion (more than 25%) of its total assets in securities of companies located in particular countries, such as the United Kingdom and Japan, depending on such country's representation within the benchmark index.

**Cybersecurity risk.** In addition to the risks described above that primarily relate to the value of investments, there are various operational, systems, information security and related risks involved in investing, including but not limited to "cybersecurity" risk. Cybersecurity attacks include electronic and non-electronic attacks that include but are not limited to gaining unauthorized access to digital systems (e.g., through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data or causing operational disruption. Cybersecurity attacks also may be carried out in a manner that does not require gaining unauthorized access, such as causing denial of service attacks on websites (i.e., efforts to make

services unavailable to intended users). As the use of technology has become more prevalent, we and the client accounts we manage have become potentially more susceptible to operational risks through cybersecurity attacks. These attacks in turn could cause us and client accounts (including funds) we manage to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures, and/or financial loss. Similar adverse consequences could result from cybersecurity incidents affecting issuers of securities in which we invest, counterparties with which we engage in transactions, third-party service providers (e.g., a client account's custodian), governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers and other financial institutions and other parties. While cybersecurity risk management systems and business continuity plans have been developed and are designed to reduce the risks associated with these attacks, there are inherent limitations in any cybersecurity risk management system or business continuity plan, including the possibility that certain risks have not been identified. Accordingly, there is no guarantee that such efforts will succeed, especially since we do not directly control the cybersecurity systems of issuers or third-party service providers.

**Disease/Epidemic risk.** Investments could be materially adversely affected by the widespread outbreak of infectious disease or other public health crises, including the COVID-19 pandemic. Public health crises such as the COVID-19 pandemic, together with any containment or other remedial measures undertaken or imposed, could have a material and adverse effect on various investments.

**Emerging market risk.** Emerging markets tend to be more volatile and less liquid than the markets of more mature economies and generally have less diverse and less mature economic structures and less stable political systems than those of developed countries. The securities of issuers located or doing substantial business in emerging markets are often subject to rapid and large changes in price. In particular, emerging markets may have relatively unstable governments, present the risk of sudden adverse government or regulatory action and even nationalization of businesses, have restrictions on foreign ownership or prohibitions on repatriation of assets and impose less protection of property rights than more developed countries. The economies of emerging market countries may be based predominantly on only a few industries and may be highly vulnerable to changes in local or global trade conditions and may suffer from extreme debt burdens or volatile inflation rates. Local securities markets may trade a small number of securities and may be unable to respond effectively to increases in trading volume, potentially making prompt liquidation of substantial holdings difficult. Transaction settlement and dividend collection procedures also may be less reliable in emerging markets than in developed markets. The fixed income securities of issuers located in emerging markets can be more volatile and less liquid than those of issuers in more mature economies. In addition, such securities often are considered to be

below investment grade credit quality and predominantly speculative. The imposition of sanctions, confiscations, trade restrictions (including tariffs) and other government restrictions by the United States and other governments, or problems in share registration, settlement or custody, may also result in losses.

**Equity securities risk.** The value of equity securities of public and private, listed and unlisted companies and equity derivatives generally varies with the performance of the issuer and movements in the equity markets. As a result, an account may suffer losses if it invests in equity instruments of issuers whose performance diverges from expectations or if equity markets generally move in a single direction. Accounts may also be exposed to risks that issuers will not fulfill contractual obligations such as, in the case of convertible securities or private placements, delivering marketable common stock upon conversions of convertible securities and registering restricted securities for public resale.

**ESG investment approach risk.** A strategy's investment approach may cause it to perform differently than strategies that invest in securities of companies but that do not integrate consideration of environmental, social and governance ("ESG") issues when selecting investments. An investment approach that systematically integrates the consideration of ESG issues in the securities selection process may result in such strategy forgoing opportunities to buy certain securities when it might otherwise be advantageous to do so, or selling securities when it might be disadvantageous for such strategy to do so.

**Exchange-traded fund ("ETF") risk.** Exchange Traded Funds ("ETFs") are shares of publicly traded unit investment trusts, open-end funds or depository receipts that seek to track the performance and dividend yield of specific indexes or companies in related industries. These indexes may be either broad-based, sector or international. However, ETF shareholders are generally subject to the same risk as holders of the underlying financial instruments they are designed to track. ETFs are also subject to certain additional risks, including, without limitation, the risk that their prices may not correlate perfectly with changes in the prices of the underlying financial instruments they are designed to track and the risk of trading in an ETF halting due to market conditions or other reasons, based on the policies of the exchange upon which the ETF trades. ETFs in which the strategy may invest involve certain inherent risks generally associated with investments in a portfolio of common stocks and/or bonds, including the risk that the general level of stock prices may decline, thereby adversely affecting the value of each unit of the ETF. Moreover, an ETF may not fully replicate the performance of its benchmark index because of the temporary unavailability of certain index securities in the secondary market or discrepancies between the ETF and the index with respect to the weighting of securities or the number of securities held. In addition, legal, tax and regulatory changes, such as certain sanctions imposed by governments, may occur which may restrict an ETF's ability to purchase, hold or sell



certain constituents of the relevant index in their appropriate proportions or otherwise adversely affect the ability of the ETF to pursue its indexing strategy.

If you invest in the ETF-based model strategies we offer, you will bear a proportionate share of each ETF's fees and expenses. These fees are described in each ETF's prospectus. Clients should review all applicable prospectuses for additional information about these fees and expenses. Accordingly, investing in ETFs, which are investment companies, may involve duplication of advisory fees and certain other expenses.

**Fixed-Income Securities risk.** Certain underlying ETFs in the ETF-based model strategies we offer may invest in fixed income securities. The value of fixed-income securities in which such funds invest will change in response to fluctuations in interest rates. In addition, the value of certain fixed-income securities can fluctuate in response to perceptions of credit worthiness, political stability or soundness of economic policies. Valuations of other fixed-income instruments, such as mortgage-backed securities, may fluctuate in response to changes in the economic environment that may affect future cash flows. Except to the extent that values are independently affected by currency exchange rate fluctuations, when interest rates decline, the value of fixed-rate, fixed-income securities generally can be expected to rise. Conversely, when interest rates rise, the value of the same fixed-income securities generally can be expected to decline. Underlying funds may invest in U.S. and non-U.S. issuers of fixed-income securities and may invest in both investment grade and non-investment grade debt securities, including "high-yield" or "junk bonds" and "distressed securities."

**Foreign investment risk.** Special risks associated with investments in foreign companies include exposure to currency fluctuations, less liquidity, less developed or less efficient trading markets, lack of comprehensive company information, political or economic instability, seizure or nationalization of assets, imposition of taxes or repatriation restrictions and differing auditing and legal standards. The securities of issuers located in emerging markets can be more volatile and less liquid than those of issuers in more mature economies. The imposition of sanctions, confiscations, trade restrictions (including tariffs) and other government restrictions by the United States and other governments, or problems in share registration, settlement or custody, may also result in losses.

**General risks:** Investing in securities involves risk of loss that you should be prepared to bear. We do not guarantee or represent that our investment program will be successful. Our past results are not necessarily indicative of our future performance and our investment results may vary over time. We cannot assure you that our investments of your money will be profitable, and in fact, you could incur substantial losses. Your investments with us are not a bank deposit and are not insured or guaranteed by the FDIC or any other government agency.

**Growth and value stock risk.** Investors often expect growth companies to increase their earnings at a certain rate. If these expectations are not met, investors can punish the stocks inordinately, even if earnings do increase. In addition, growth stocks typically lack the dividend yield that can cushion stock prices in market downturns. Value stocks involve the risk that they may never reach their expected full market value, either because the market fails to recognize the stock's intrinsic worth, or the expected value was misgauged. They also may decline in price even though in theory they are already undervalued.

**Growth stock risk.** Investors often expect growth companies to increase their earnings at a certain rate. If these expectations are not met, investors can punish the stocks inordinately, even if earnings do increase. In addition, growth stocks may lack the dividend yield that may cushion stock prices in market downturns.

**Health care sector risk.** When a strategy's investments are concentrated in the health care and related sectors, the value of your investment will be affected by factors particular to those sectors and may fluctuate more widely than that of a strategy which invests in a broad range of industries. Health care companies are subject to government regulation and approval of their products and services, which can have a significant effect on their market price. The types of products or services produced or provided by these companies may quickly become obsolete. Moreover, liability for products that are later alleged to be harmful or unsafe may be substantial and may have a significant impact on the health care company's market value and/or share price. Biotechnology and related companies are affected by patent considerations, intense competition, rapid technology change and obsolescence and regulatory requirements of various federal and state agencies. In addition, some of these companies are relatively small and have thinly traded securities, may not yet offer products or may offer a single product and may have persistent losses during a new product's transition from development to production, or erratic revenue patterns. The stock prices of these companies are very volatile, particularly when their products are up for regulatory approval and/or under regulatory scrutiny. Securities of companies within specific health care sectors can perform differently than the overall market. This may be due to changes in such things as the regulatory or competitive environment, or to changes in investor perceptions regarding a sector. Because the strategy may allocate relatively more assets to certain health care sectors than others, the strategy's performance may be more sensitive to developments which affect those sectors emphasized by the strategy.

**Investment strategy risk.** A strategy's investment criteria (for example, sustainability) may limit the number of investment opportunities available to the strategy, and, as a result, at times the strategy's returns may be lower than those of strategies that are not subject to such special investment considerations.

**Issuer risk.** The value of a security may decline for a number of reasons which directly relate to the issuer, such as management performance, financial leverage and reduced demand for the issuer's products or services.

**Large cap stock risk.** To the extent a strategy invests in large capitalization stocks, the strategy may underperform strategies that invest primarily in the stocks of lower quality, smaller capitalization companies during periods when the stocks of such companies are in favor.

**Liquidity risk.** When there is little or no active trading market for specific types of securities, it can become more difficult to sell the securities at or near their perceived value. In such a market, the value of such securities and the value of your investment may fall dramatically, even during periods of declining interest rates. Liquidity risk also exists when a particular derivative instrument is difficult to purchase or sell. If a derivative transaction is particularly large or if the relevant market is illiquid (as is the case with many privately negotiated derivatives), it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price. The secondary market for certain municipal bonds tends to be less well developed or liquid than many other securities markets, which may adversely affect the strategy's ability to sell such municipal bonds at attractive prices. Trading limits (such as "daily price fluctuation limits" or "speculative position limits") on futures trading imposed by regulators and exchanges could prevent the prompt liquidation of unfavorable futures positions and result in substantial losses. In addition, the ability to execute futures contract trades at favorable prices if trading volume in such contracts is low may be limited. It is also possible that an exchange or a regulator may suspend trading in a particular contract, order immediate liquidation and settlement of a particular contract or order that trading in a particular contract be conducted for liquidation only. Therefore, in some cases, the execution of trades to invest or divest cash flows may be postponed which could adversely affect the withdrawal of assets and/or performance.

**Market risk.** The market value of a security may decline due to general market conditions that are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates, outbreaks of an infectious disease, or adverse investor sentiment generally. A security's market value also may decline because of factors that affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry. Global economies and financial markets are becoming increasingly interconnected, and conditions and events in one country, region or financial market may adversely impact issuers in a different country, region or financial market. These risks may be magnified if certain events or developments adversely interrupt the global supply chain; in these and other circumstances, such risks might affect companies world-wide.

**Market Sector risk.** Certain underlying funds in the ETF-based model strategies we offer may significantly overweight or underweight certain companies, industries or market sectors, which may cause a separate account's performance to be more or less sensitive to developments affecting those companies, industries or sectors.

**Micro-cap company risk.** Micro-cap stocks may offer greater opportunity for capital appreciation than the stocks of larger and more established companies; however, they also involve substantially greater risks of loss and price fluctuations. Micro-cap companies carry additional risks because their earnings and revenues tend to be less predictable (and some companies may be experiencing significant losses) and their share prices tend to be more volatile and their markets less liquid than companies with larger market capitalizations. Micro-cap companies may be newly formed or in the early stages of development, with limited product lines, markets or financial resources, and may lack management depth. In addition, there may be less public information available about these companies. The shares of micro-cap companies tend to trade less frequently than those of larger, more established companies, which can adversely affect the pricing of these securities and our ability to sell these securities. Also, it may take a long time before the value of your investment realizes a gain, if any, on an investment in a micro-cap company.

**Non-diversification risk.** A non-diversified strategy may invest a relatively high percentage of its assets in a limited number of issuers. Therefore, the strategy's performance may be more vulnerable to changes in the market value of a single issuer or group of issuers and more susceptible to risks associated with a single economic, political or regulatory occurrence than a diversified strategy.

**Performance risk.** Investors often expect growth companies to increase their earnings at a certain rate. If we do not meet our clients' performance expectations this is considered a material risk.

**Portfolio turnover risk.** A strategy may engage in short-term trading, which could produce higher transaction costs and taxable distributions and lower the strategy's after-tax performance.

**Preferred stock risk.** Preferred stock is a class of a capital stock that typically pays dividends at a specified rate. Preferred stock is generally senior to common stock, but subordinate to debt securities, with respect to the payment of dividends and on liquidation of the issuer. The market value of preferred stock generally decreases when interest rates rise and is also affected by the issuer's ability to make payments on the preferred stock.

**Quantitative model risk.** For certain strategies, we rely on quantitative models that utilize mathematical and statistical formulas designed to select a combination of positions that reflect forward-looking estimates of return and risk. There can be no assurance that a particular quantitative model has been designed to appropriately account for all variables that may affect the

performance of a particular investment strategy. Any errors in the design, input or implementation of the quantitative models used by us could have a material adverse effect on the performance of a particular investment strategy. Due to the foregoing risks and the inherent complexities in quantitative models, it may be very difficult or impossible to detect the source of any weakness or failing in a quantitative model before any losses are incurred.

**Real estate sector risk.** When a strategy's investments are concentrated in the securities of companies principally engaged in the real estate sector, the value of your investment will be affected by factors particular to the real estate sector and may fluctuate more widely than that of a strategy which invests in a broader range of industries. The securities of issuers that are principally engaged in the real estate sector may be subject to risks similar to those associated with the direct ownership of real estate. These include: declines in real estate values, defaults by mortgagors or other borrowers and tenants, increases in property taxes and operating expenses, overbuilding, fluctuations in rental income, changes in interest rates, possible lack of availability of mortgage funds or financing, extended vacancies of properties, changes in tax and regulatory requirements (including zoning laws and environmental restrictions), losses due to costs resulting from the clean-up of environmental problems, liability to third parties for damages resulting from environmental problems and casualty or condemnation losses. In addition, the performance of the economy in each of the regions and countries in which the real estate owned by a portfolio company is located affects occupancy, market rental rates and expenses and, consequently, has an impact on the income from such properties and their underlying values. In addition to the risks which are linked to the real estate sector in general, Real Estate Investment Trusts ("REITs") are subject to additional risks. Equity REITs, which invest a majority of their assets directly in real property and derive income primarily from the collection of rents and lease payments, may be affected by changes in the value of the underlying property owned by the trust, while mortgage REITs, which invest the majority of their assets in real estate mortgages and derive income primarily from the collection of interest payments, may be affected by the quality of any credit extended. Further, REITs are highly dependent upon management skill and often are not diversified. REITs also are subject to heavy cash flow dependency and to defaults by borrowers or lessees. In addition, REITs possibly could fail to qualify for favorable tax treatment under applicable U.S. or foreign law and/or to maintain exempt status under the Investment Company Act of 1940, as amended. Certain REITs provide for a specified term of existence in their trust documents. Such REITs run the risk of liquidating at an economically disadvantageous time.

**Small and mid-size company risk.** Small and mid-size companies carry additional risks because the operating histories of these companies tend to be more limited, their earnings and revenues less predictable (and some companies may be experiencing significant losses) and their share prices more volatile than those of larger, more established companies. The shares of smaller companies

tend to trade less frequently than those of larger, more established companies, which can adversely affect the pricing of these securities and the strategy's ability to sell these securities. These companies may have limited product lines, markets or financial resources, or may depend on a limited management group. Some of the strategy's investments will rise and fall based on investor perception rather than economic factors. Other investments are made in anticipation of future products, services or events whose delay or cancellation could cause the stock price to drop.

**Stock investing risk.** Stocks generally fluctuate more in value than bonds and may decline significantly over short time periods. There is the chance that stock prices overall will decline because stock markets tend to move in cycles, with periods of rising prices and falling prices. The market value of a stock may decline due to general market conditions that are not related to the particular company, such as real or perceived adverse economic conditions, changes in the outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. A security's market value also may decline because of factors that affect a particular industry, such as labor shortages or increased production costs and competitive conditions within an industry or factors that affect a particular company, such as management performance, financial leverage and reduced demand for the company's products or services.

**Stock selection risk.** The stocks selected for implementing a given investment strategy may not perform as well as anticipated or in relation to available stock alternatives, negatively impacting account performance.

**Systemic risk.** World events and/or the activities of one or more large participants in the financial markets and/or other events or activities of others could result in a temporary systemic breakdown in the normal operation of financial markets. Such events could result in a portfolio losing substantial value caused predominantly by liquidity and counterparty issues which could result in a portfolio incurring substantial losses.

**Technology company risk.** The technology sector has been among the most volatile sectors of the stock market. If the strategy's investments are concentrated in the technology sector, its performance can be significantly affected by developments in that sector. Technology companies, especially small-cap technology companies, involve greater risk because their revenue and/or earnings tend to be less predictable (and some companies may be experiencing significant losses) and their share prices tend to be more volatile. Certain technology companies may have limited product lines, markets or financial resources, or may depend on a limited management group. In addition, these companies are strongly affected by worldwide technological developments and their products and services may not be economically successful or may quickly become outdated. Investor perception may play a greater role in determining the day-to-day value of tech stocks than it does in other sectors. Investments made in anticipation of future products and services may

decline dramatically in value if the anticipated products or services are delayed or cancelled. The risks associated with technology companies are magnified in the case of small-cap technology companies. The shares of smaller technology companies tend to trade less frequently than those of larger, more established companies, which can have an adverse effect on the pricing of these securities and on a strategy's ability to sell these securities.

**Valuation risk.** Certain securities in which the underlying funds in the ETF-based model strategies we offer may invest may not have a readily ascertainable market price. Such securities are nevertheless generally valued by the fund managers, their appointed administrators, or third-party pricing agents. Valuation is ordinarily conclusive with respect to a separate account or pooled investment vehicle, even though fund managers generally face a conflict of interest in valuing such securities because the value of the securities may affect the compensation they receive.

**Value stock risk.** Value stocks involve the risk that they may never reach their expected market value, either because the market fails to recognize the stock's intrinsic worth or the expected value was misgauged. They also may decline in price even though in theory they are already undervalued.





## **BNY Mellon Securities Corporation**

240 Greenwich Street  
New York, NY 10286

### **Form ADV Part 2B – Brochure Supplement (as of March 30, 2024)**

**This Brochure Supplement provides information about the key individuals listed below who provide certain advisory services for you and supplements the BNY Mellon Securities Corporation (“BNYMSC”) Brochure. You should have received a copy of that Brochure. Please contact us by phone at 212-635-8827 or by email at [john.squillace@bnymellon.com](mailto:john.squillace@bnymellon.com) if you did not receive BNYMSC’s Brochure or if you have any questions about the contents of this Brochure Supplement.**

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

# **Form ADV Part 2B**

as of March 30, 2024

## **Table of Contents**

### **BNYMSC Separately Managed Accounts Desk**

<b>John A. Cimino</b>	<b>Page 3</b>
<b>Kenneth Hughes</b>	<b>Page 5</b>
<b>Robert Pilot</b>	<b>Page 7</b>
<b>Rodrigo G. Garcia</b>	<b>Page 9</b>
<b>Wesley Delvois</b>	<b>Page 11</b>

John A. Cimino  
877-570-1632

BNY Mellon Securities Corporation (“BNYMSC”)  
240 Greenwich Street  
New York, NY 10286

## **Form ADV, Part 2B as of March 30, 2024**

**Pursuant to SEC rules and regulations, we have prepared this Brochure Supplement for you because John Cimino performs certain advisory services for you.**

**This Brochure Supplement provides information about John Cimino that supplements BNYMSC’s Brochure. You should have received a copy of that Brochure. Please contact BNYMSC at 212-635-8827 or [john.squillace@bnymellon.com](mailto:john.squillace@bnymellon.com) if you did not receive BNYMSC’s Brochure or if you have any questions about the contents of this Supplement.**

**Item 2. Educational Background and Business Experience**

**John A. Cimino**

**Year of Birth:** 1981

**Higher Education:** M.B.A. in Finance, St. John's University, 2006; Bachelor of Science in Finance and Entrepreneurship and Emerging Enterprises, Syracuse University, 2003

**Business Background Last 5 Years:**

**Currently:** Head Separately Managed Accounts Desk, BNYMSC, 2024 - Present

**Previous:** Head Separate Accounts Trader, BNYMSC, 2015 - 2023

**Professional Designations Held:** None to report.

**Item 3. Disciplinary Information**

None to report.

**Item 4. Other Business Activities**

None to report.

**Item 5. Additional Compensation**

BNYMSC offers competitive compensation opportunities to all employees, including portfolio management, trading and other personnel. Our goal is to provide a performance-oriented environment with incentive compensation programs that are tied to the profitability and sustained growth of the firm.

We provide a disciplined and structured process of reward and evaluation to attract and retain high-performing employees who are critical to BNYMSC's ongoing success. Our competitive compensation package, which is not formula driven, includes base pay and the potential for bonus/annual cash incentives, and long-term incentives for a select group of key professionals.

**Item 6. Supervision**

In terms of process, BNYMSC's Separately Managed Accounts Desk is structured around a team trading approach. Mr. Cimino is the Head of the Separately Managed Accounts Desk and is responsible for the oversight of trades conducted on behalf of client accounts for which BNYMSC has investment discretion. Mr. Cimino reports directly to Kenneth J. Bradle, President of BNYMSC (telephone number 516-338-3804). Additional oversight is provided by BNYMSC's various governance bodies, such as the Intermediary Product Review Group.

Kenneth Hughes  
877-570-1632

BNY Mellon Securities Corporation (“BNYMSC”)  
240 Greenwich Street  
New York, NY 10286

## **Form ADV, Part 2B as of March 30, 2024**

**Pursuant to SEC rules and regulations, we have prepared this Brochure Supplement for you because Kenneth Hughes performs certain advisory services for you.**

**This Brochure Supplement provides information about Kenneth Hughes that supplements BNYMSC’s Brochure. You should have received a copy of that Brochure. Please contact BNYMSC at 212-635-8827 or [john.squillace@bnymellon.com](mailto:john.squillace@bnymellon.com) if you did not receive BNYMSC’s Brochure or if you have any questions about the contents of this Supplement.**

**Item 2. Educational Background and Business Experience**

**Kenneth Hughes**

**Year of Birth:** 1980

**Higher Education:** Bachelor of Science in Business Administration, Champlain College, 2002

**Business Background Last 5 Years:**

**Currently:** Head Separate Accounts Trader, BNYMSC, 2024 - Present

**Previous:** Separate Accounts Trader, BNYMSC, 2010 - 2023

**Professional Designations Held:** None to report.

**Item 3. Disciplinary Information**

None to report.

**Item 4. Other Business Activities**

None to report.

**Item 5. Additional Compensation**

BNYMSC offers competitive compensation opportunities to all employees, including portfolio management, trading and other personnel. Our goal is to provide a performance-oriented environment with incentive compensation programs that are tied to the profitability and sustained growth of the firm.

We provide a disciplined and structured process of reward and evaluation to attract and retain high-performing employees who are critical to BNYMSC's ongoing success. Our competitive compensation package, which is not formula driven, includes base pay and the potential for bonus/annual cash incentives, and long-term incentives for a select group of key professionals.

**Item 6. Supervision**

In terms of process, BNYMSC's Separately Managed Accounts Desk is structured around a team trading approach. Mr. Hughes is the Head Separate Accounts Trader and supervises the day-to-day trading function. Mr. Hughes reports to John Cimino, BNYMSC's Head Separately Managed Accounts Desk. Mr. Cimino is responsible for the oversight of trades conducted on behalf of client accounts for which BNYMSC has investment discretion. Mr. Cimino reports directly to Kenneth J. Bradle, President of BNYMSC. Additional oversight is provided by BNYMSC's various governance bodies, such as the Intermediary Product Review Group.

Robert Pilot  
877-570-1632

BNY Mellon Securities Corporation (“BNYMSC”)  
300 Colonial Center Parkway  
Lake Mary, FL 32746

## **Form ADV, Part 2B as of March 30, 2024**

**Pursuant to SEC rules and regulations, we have prepared this Brochure Supplement for you because Robert Pilot performs certain advisory services for you.**

**This Brochure Supplement provides information about Robert Pilot that supplements BNYMSC’s Brochure. You should have received a copy of that Brochure. Please contact BNYMSC at 212-635-8827 or [john.squillace@bnymellon.com](mailto:john.squillace@bnymellon.com) if you did not receive BNYMSC’s Brochure or if you have any questions about the contents of this Supplement.**

**Item 2.**        **Educational Background and Business Experience**

**Robert Pilot**

**Year of Birth:** 1964

**Higher Education:** N/A

**Business Background Last 5 Years:**

**Currently:** Separate Accounts Trader, BNYMSC, 2013-Present

**Previous:** Head Trader, Amida Capital Management, 2007-2012

**Professional Designations Held:** None to report.

**Item 3.**        **Disciplinary Information**

None to report.

**Item 4.**        **Other Business Activities**

None to report.

**Item 5.**        **Additional Compensation**

BNYMSC offers competitive compensation opportunities to all employees, including portfolio management, trading and other personnel. Our goal is to provide a performance-oriented environment with incentive compensation programs that are tied to the profitability and sustained growth of the firm.

We provide a disciplined and structured process of reward and evaluation to attract and retain high-performing employees who are critical to BNYMSC's ongoing success. Our competitive compensation package, which is not formula driven, includes base pay and the potential for bonus/annual cash incentives, and long-term incentives for a select group of key professionals.

**Item 6.**        **Supervision**

In terms of process, BNYMSC's Separately Managed Accounts Desk is structured around a team trading approach. Mr. Pilot is a Separate Accounts Trader and reports to Kenneth Hughes, BNYMSC's Head Separate Accounts Trader. Mr. Hughes reports to John Cimino, Head of the Separately Managed Accounts Desk. Mr. Cimino is responsible for the oversight of trades conducted on behalf of client accounts for which BNYMSC has investment discretion. Mr. Cimino reports directly to Kenneth J. Bradle, President of BNYMSC. Additional oversight is provided by BNYMSC's various governance bodies, such as the Intermediary Product Review Group.



Rodrigo G. Garcia  
877-570-1632

BNY Mellon Securities Corporation (“BNYMSC”)  
300 Colonial Center Parkway  
Lake Mary, FL 32746

## **Form ADV, Part 2B as of March 30, 2024**

**Pursuant to SEC rules and regulations, we have prepared this Brochure Supplement for you because Rodrigo G. Garcia performs certain advisory services for you.**

**This Brochure Supplement provides information about Robert Pilot that supplements BNYMSC’s Brochure. You should have received a copy of that Brochure. Please contact BNYMSC at 212-635-8827 or [john.squillace@bnymellon.com](mailto:john.squillace@bnymellon.com) if you did not receive BNYMSC’s Brochure or if you have any questions about the contents of this Supplement.**

**Item 2. Educational Background and Business Experience**

**Rodrigo G. Garcia**

**Year of Birth:** 1987

**Higher Education:** Bachelor of Science in Industrial Engineering, University of Central Florida, 2011

**Business Background Last 5 Years:**

**Currently:** Separate Accounts Trader, BNYMSC, 2022 - Present

**Previous:** Lead Analyst, Wealth Solutions, BNY Mellon Pershing Global Client Services, 2019-2022; Senior Specialist, Advisor Custody & Trading Services, Charles Schwab & Co., 2014-2019

**Professional Designations Held:** None to report.

**Item 3. Disciplinary Information**

None to report.

**Item 4. Other Business Activities**

None to report.

**Item 5. Additional Compensation**

BNYMSC offers competitive compensation opportunities to all employees, including portfolio management, trading and other personnel. Our goal is to provide a performance-oriented environment with incentive compensation programs that are tied to the profitability and sustained growth of the firm.

We provide a disciplined and structured process of reward and evaluation to attract and retain high-performing employees who are critical to BNYMSC's ongoing success. Our competitive compensation package, which is not formula driven, includes base pay and the potential for bonus/annual cash incentives, and long-term incentives for a select group of key professionals.

**Item 6. Supervision**

In terms of process, BNYMSC's Separately Managed Accounts Desk is structured around a team trading approach. Mr. Garcia is a Separate Accounts Trader and reports to Kenneth Hughes, BNYMSC's Head Separate Accounts Trader. Mr. Hughes reports to John Cimino, Head of the Separately Managed Accounts Desk. Mr. Cimino is responsible for the oversight of trades conducted on behalf of client accounts for which BNYMSC has investment discretion. Mr. Cimino reports directly to Kenneth J. Bradle, President of BNYMSC. Additional oversight is provided by BNYMSC's various governance bodies, such as the Intermediary Product Review Group.

Wesley Delvois  
877-570-1632

BNY Mellon Securities Corporation (“BNYMSC”)  
240 Greenwich Street  
New York, NY 10286

## **Form ADV, Part 2B as of March 30, 2024**

**Pursuant to SEC rules and regulations, we have prepared this Brochure Supplement for you because Wesley Delvois performs certain advisory services for you.**

**This Brochure Supplement provides information about Kenneth Hughes that supplements BNYMSC’s Brochure. You should have received a copy of that Brochure. Please contact BNYMSC at 212-635-8827 or [john.squillace@bnymellon.com](mailto:john.squillace@bnymellon.com) if you did not receive BNYMSC’s Brochure or if you have any questions about the contents of this Supplement.**

**Item 2.**        **Educational Background and Business Experience**

Wesley Delvois

**Year of Birth:** 1983

**Higher Education:** Bachelor of Science in Finance, Pace University, 2005

**Business Background Last 5 Years:**

**Currently:** Separate Accounts Trader, BNYMSC, 2023 - Present

**Previous:** Trading Coordinator, JPM Wealth Management, 2008-2019; Senior Business Analyst, Vestmark, 2019-2020

**Professional Designations Held:** None to report.

**Item 3.**        **Disciplinary Information**

None to report.

**Item 4.**        **Other Business Activities**

None to report.

**Item 5.**        **Additional Compensation**

BNYMSC offers competitive compensation opportunities to all employees, including portfolio management, trading and other personnel. Our goal is to provide a performance-oriented environment with incentive compensation programs that are tied to the profitability and sustained growth of the firm.

We provide a disciplined and structured process of reward and evaluation to attract and retain high-performing employees who are critical to BNYMSC's ongoing success. Our competitive compensation package, which is not formula driven, includes base pay and the potential for bonus/annual cash incentives, and long-term incentives for a select group of key professionals.

**Item 6.**        **Supervision**

In terms of process, BNYMSC's Separately Managed Accounts Desk is structured around a team trading approach. Mr. Delvois is a Separate Accounts Trader and reports to Kenneth Hughes, BNYMSC's Head Separate Accounts Trader. Mr. Hughes reports to John Cimino, Head of the Separately Managed Accounts Desk. Mr. Cimino is responsible for the oversight of trades conducted on behalf of client accounts for which BNYMSC has investment discretion. Mr. Cimino reports directly to Kenneth J. Bradle, President of BNYMSC. Additional oversight is provided by BNYMSC's various governance bodies, such as the Intermediary Product Review Group.

## BNY Mellon Securities Corporation – Form CRS Relationship Summary

October 31, 2023

BNY Mellon Securities Corporation (BNYMSC) is dually registered with the Securities and Exchange Commission (SEC) as a broker-dealer and investment adviser. Brokerage and investment advisory services and fees differ and it is important that you understand these differences. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://www.investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers and investing.

### What investment services and advice can you provide me?

We offer brokerage services and investment advisory services to retail investors.

#### Our brokerage services

*Accounts:* We offer different types of brokerage accounts to retail investors. Services and features vary depending on the type of account you establish, and can include: (i) a platform where you can purchase and sell securities, (ii) ongoing customer service, (iii) optional features such as check writing and dividend reinvestment and (iv) purchasing securities on margin (i.e., borrowing against the securities in your account to purchase additional securities). We have retained an affiliated clearing broker for our brokerage accounts to provide recordkeeping and operational services, including execution and settlement of transactions, custody of securities and delivery of account statements and trade confirmations. Available brokerage account types include non-retirement (e.g., individual/joint) and retirement (e.g., traditional and Roth IRAs). We also offer a self-directed account (SDA) option within employee benefit plans.

Our brokerage accounts allow you to buy and sell a wide variety of securities products, including mutual funds, exchange traded funds (ETFs), stocks and bonds. In an SDA, however, the scope of available products is determined by the plan administrator. In addition, uninvested cash balances are swept into a proprietary money market fund managed by an affiliate or an FDIC-insured money market deposit account at a banking affiliate, depending on the type of account you establish, which results in compensation to us and/or our affiliates. **You make the ultimate decision regarding the purchase and sale of investments in your brokerage account.**

*Recommendations:* Financial professionals in certain of our business units, in their capacity as broker-dealer registered representatives, can make recommendations to you about transactions in securities products, the type of account to establish and/or transferring assets to an account with us. However, they can only recommend products from a limited menu, consisting of proprietary public (e.g., mutual funds and ETFs) and private funds managed by our affiliates, and non-proprietary variable and index annuities issued by, and held at, certain unaffiliated insurance companies. The nature of the recommendations provided by a registered representative, as well the types of accounts and/or products recommended, will vary (and may be further limited) depending on the specific business unit through which the registered representative operates. All recommendations we and our financial professionals provide to you will be made in our respective broker-dealer and registered representative capacities unless we expressly state otherwise at the time of the recommendation. **None of our registered representatives are authorized to recommend individual stocks, bonds or non-proprietary funds.**

*Account monitoring and minimums:* We do not monitor your investments. Some of our brokerage accounts require a minimum deposit to open and/or are subject to fees for failure to maintain a minimum balance or activity level. The products we offer may separately require a minimum investment amount or require you to meet certain qualification criteria, which are described in those products' offering documents.

#### Our investment advisory services

*Proprietary wrap program:* We offer a proprietary wrap program, the BNY Mellon Managed Asset Program ("MAP"), in which clients may invest in: (i) a mutual fund portfolio where clients select from a limited menu of proprietary and non-proprietary mutual funds ("Mutual Fund Series"), (ii) equity strategies through separately managed accounts managed on a discretionary basis, including by us ("Customized Investment Series") or (iii) municipal bonds through a separately managed account managed on a discretionary basis by an affiliate ("Municipal Bond Series"). In the

Customized Investment and Municipal Bond Series, accounts are managed consistent with the stated investment objectives and restrictions specified by the client and pursuant to the terms of a client agreement. In the Mutual Fund Series, we provide non-discretionary investment services only, which means that you make the ultimate decision regarding the purchase and sale of the mutual funds in your portfolio.

*Third-party wrap programs:* We sub-advise separate account portfolios and provide model portfolios for wrap programs (collectively, “Wrap Programs”) sponsored by third parties (“Program Sponsors”). In a traditional Wrap Program, we have discretionary authority in the client’s account consistent with client-specified investment restrictions and pursuant to the terms of the agreement with the Program Sponsor and/or client. In model portfolio Wrap Programs, we provide model portfolios to the Program Sponsor, who then executes transactions on behalf of the clients. We do not have discretionary trading authority over client accounts in model portfolio Wrap Programs.

Because we are compensated through asset-based fees, you will pay more in fees the more assets you have in your account. We may therefore have an incentive to encourage you to increase the assets in your account.

*Account monitoring and minimums:* We monitor investments in traditional Wrap Programs on a weekly and quarterly basis by verifying compliance with investment restrictions and monitoring investment performance. We also monitor client investments in MAP at daily, quarterly and/or annual intervals, depending on the series you have chosen. We do not monitor investments in model portfolio Wrap Programs. For MAP, varying minimum investment amounts are required depending on the strategy selected. We do not impose account minimums in third party Wrap Programs, although the Program Sponsors may do so.

### ***Additional information***

For more detailed information about our brokerage services, please refer to: (i) the account applications, account agreements, enrollment forms, supplemental disclosures and/or client brochures applicable to our brokerage accounts and (ii) additional disclosure documents applicable to our relevant business units that provide recommendations to retail customers titled “*Important Disclosures About Our Services and Conflicts of Interest*” (“Important Disclosures”). The account applications and account agreements for our BNY Mellon Brokerage Account are available by clicking the Brokerage Account Forms tab at <https://im.bnymellon.com/us/en/individual/resources/account-access-forms.jsp#accountforms>. The *Important Disclosures* document for BNY Mellon Advisor Services (“Advisor Services”), one of our business units, is available at <https://im.bnymellon.com/us/en/documents/imwebdocs/account-form/annual/additional-disclosure.pdf>. For more detailed information about our advisory services, please refer to our Form ADV Part 2A (Firm Brochure) and our ADV Part 2A-Appendix 1 (Wrap Fee Program Brochure), which can be found at: <https://adviserinfo.sec.gov/firm/brochure/231>.

Consider asking our financial professionals the following:

- Given my financial situation, should I choose an investment advisory service? Should I choose a brokerage service? Should I choose both types of services? Why or why not?
- How will you choose investments to recommend to me?
- What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?

### **What fees will I pay?**

#### Brokerage

*Commissions and other transaction-based fees:* You will typically pay a commission when you purchase and sell securities in your brokerage account, although no commission will be assessed for certain transactions (e.g., no transaction fee (NTF) funds). The commission amount will vary based on the security type and/or transaction size. Transactions where we or an affiliate acts as principal will be subject to a markup or markdown that is reflected in the price of the security itself rather than an explicit commission charge. You would be charged more when there are more trades in your account, and we may therefore have an incentive to encourage you to trade often.

*Other fees and costs:* Other common fees and costs that you may pay in a brokerage account include: (i) a redemption fee on sales of NTF funds not held for a specified time period, (ii) low balance and inactive account fees, (iii) an annual retirement account fee and (iv) margin interest if you elect to trade on margin. In addition, when you purchase a mutual fund, annuity or other pooled investment vehicle (e.g., private fund), you will pay the applicable fees and expenses of those products, including a sales load for certain non-proprietary products.

#### Advisory

*MAP:* You will pay us an inclusive wrap fee based on a percentage of assets under management that includes most transaction costs and fees and is therefore higher than a typical asset-based advisory fee. This fee is assessed quarterly.

*Third party Wrap Programs:* The Program Sponsor will generally charge you an inclusive wrap fee based on a percentage of assets under management and will typically pay us a portion of that fee. With respect to “dual contract” third party Wrap Programs where you have separate agreements with us and the Program Sponsor, you may pay us our advisory fee directly. The wrap fee includes most transaction costs and fees and is therefore higher than a typical asset-based advisory fee. The Program Sponsor will provide you information about the wrap fee and how frequently it is assessed.

The more assets there are in your account, the more you will pay in fees. Thus, we may have an incentive to encourage you to increase the assets in your account.

*Other fees and costs:* When you purchase a mutual fund in the Mutual Fund Series, you will bear a portion of the underlying fees and expenses of the fund.

#### ***Additional information***

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying. For more detailed information about the fees and costs associated with our brokerage services, please refer to the commission and fee schedule applicable to the brokerage account you are considering. For more detailed information about the fees and costs associated with our advisory services, please refer to our Firm Brochure and Wrap Fee Program Brochure. In addition, transaction confirmations, account statements and prospectuses typically provide information about your fees and costs.

Consider asking our financial professionals the following: “Help me understand how fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?”

**What are your legal obligations to me when providing recommendations as my broker-dealer or when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?**

*When we provide you with a recommendation as your broker-dealer or act as your investment adviser,* we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money may create conflicts with your interests. You should understand and ask us about these conflicts because they can affect the recommendations and investment advice we provide you. Here are some examples to help you understand what this means:

1. Proprietary products: We and our affiliates provide services to the proprietary products we offer. We and our affiliates receive compensation for these services when you purchase these products, which encourages us to recommend them to you. We and our affiliates generally receive higher levels of compensation from proprietary products than non-proprietary products.

2. Revenue sharing and third-party payments: When we recommend a non-proprietary annuity to you, we are compensated by the issuing insurance company. We and our affiliates also receive compensation from the non-proprietary funds in the Mutual Fund Series for services provided to these funds, which encourages us to recommend them to you.

Consider asking our financial professionals the following: “How might your conflicts of interest affect me, and how will you address them?”

### ***Additional Information***

For more detailed information about our conflicts of interest, please refer to the *Important Disclosures* document applicable to the business unit making the recommendation to you; our Firm Brochure; and our Wrap Fee Program Brochure.

#### **How do your financial professionals make money?**

Our financial professionals who make recommendations are compensated in different ways, depending on the product you purchase and the business unit through which they operate. Below is a brief overview of how they are compensated.

Salary: Our financial professionals typically receive a base salary.

Sales compensation: Certain of our financial professionals receive upfront sales compensation based on a fixed percentage of the purchase amount. Other professionals receive compensation paid over time based on a percentage of the revenue we or our affiliates receive from your investment in a product, which may vary based on the product category or within a category. Commissions are paid by us (not you). These payments can incentivize our financial professionals to make recommendations to you, recommend certain products over others or encourage you to remain invested.

Discretionary compensation: Certain of our financial professionals may receive periodic discretionary compensation based on a variety of factors, such as achievement of overall corporate/business unit and individual performance goals, and actual sales production during the period. While this compensation is discretionary, it may incentivize our financial professionals to make recommendations to you.

Non-cash compensation: Certain of our financial professionals may receive non-cash compensation from sponsors of non-proprietary mutual funds offered in MAP, typically in the form of an occasional meal or other type of business entertainment. This may incentivize our financial professionals to recommend these products to you.

Ongoing compensation: Certain of our financial professionals who offer MAP receive a percentage of the investment advisory fee paid to us. Such compensation may be paid to the professional for the duration of your participation in MAP. This provides an incentive for our professionals to recommend MAP and to encourage you to remain invested.

#### **Do you or your financial professionals have legal or disciplinary history?**

Yes. Please visit [Investor.gov/CRS](http://Investor.gov/CRS) for a free and simple search tool to research us and our financial professionals.

Consider asking our financial professionals the following: “As a financial professional, do you have any disciplinary history? For what type of conduct?”


#### **Where can I get additional information?**

You can find additional information about our brokerage and investment advisory services in the documents referenced throughout this relationship summary. You can request up-to-date information as well as a copy of our relationship summary by calling us at 1-800-843-5466, and you can view a copy of our relationship summary at <https://im.bnymellon.com/us/en/documents/manual/account-forms/5dcrs.pdf>.

Consider asking our financial professionals the following: “Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?”





Part of  BNY MELLON

# NEWTON INVESTMENT MANAGEMENT LIMITED

## FORM ADV PART 2A

(as of March 31st, 2024)

Newton Investment Management Limited  
BNY Mellon Centre  
160 Queen Victoria Street  
London EC4V 4LA  
United Kingdom

**This brochure (“Brochure”) provides information about the qualifications and business practices of Newton Investment Management Limited (“Newton”, “the Firm”, “we” or “us”). If you have any questions about the contents of this Brochure, please contact us at +44 20 7163 9000. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.**

**The Firm is registered as an investment adviser with the SEC. Registration with the SEC does not imply that the investment adviser has any particular level of skill or training.**

**Additional information about Newton Investment Management Limited also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## ITEM 2. SUMMARY OF MATERIAL CHANGES

There have been no material changes to this Brochure since the last annual update on 31<sup>st</sup> March 2023.

## ITEM 3. TABLE OF CONTENTS

Item 2. Summary of Material Changes.....	2
<u>Item 3. Table of Contents</u> .....	3
<u>Item 4. Advisory Business</u> .....	4
<u>Item 5. Fees and Compensation</u> .....	7
<u>Item 6. Performance-Based Fees and Side-by-Side Management</u> .....	9
<u>Item 7. Types of Clients</u> .....	16
<u>Item 8. Methods of Analysis, Investment Strategies and Risk of Loss</u> .....	17
<u>Item 9. Disciplinary Information</u> .....	29
<u>Item 10. Other Financial Industry Activities and Affiliations</u> .....	30
<u>Item 11. Code of Ethics, Participation or Interest in Client Transactions, Personal Trading</u> .....	36
<u>Item 12. Brokerage Practices</u> .....	40
<u>Item 13. Review of Accounts</u> .....	44
<u>Item 14. Client Referrals and Other Compensation</u> .....	45
<u>Item 15. Custody</u> .....	46
<u>Item 16. Investment Discretion</u> .....	47
<u>Item 17. Voting Client Securities</u> .....	48
<u>Item 18. Financial Information</u> .....	50



## ITEM 4. ADVISORY BUSINESS

### DISCRETIONARY – INVESTMENT MANAGEMENT/ADVICE

#### BACKGROUND

The Firm was incorporated on 6 June 1978 with Reed Stenhouse, a Scottish insurance broker. Following Alexander & Alexander's acquisition of the company in 1986, the company was reorganized and renamed Newton Investment Management. Newton's management bought out the Alexander & Alexander stake in 1992 and in November 1994 acquired the Capital House group of companies from the Royal Bank of Scotland plc (RBS), with RBS purchasing a 33% interest in the company. Newton became a subsidiary of BNY Mellon on July 23 1998.

The Firm is authorized and regulated in the United Kingdom by the Financial Conduct Authority ("FCA") and has both U.S. and non-U.S. clients. On August 27 1992 Newton Investment Management (North America) Limited ("Newton North America Limited"), an affiliate of the Firm, became registered in the United States with the Securities and Exchange Commission ("SEC") as an investment adviser. On December 31<sup>st</sup> 2019, Newton North America Limited transferred its entire investment advisory business to Newton and Newton succeeded its registration status as an investment adviser with the SEC. Please note that this registration does not imply a particular level of skill or training on the part of the Firm.

The Firm is part of the group of affiliated global companies that individually or collectively provide investment advisory services under the Newton or Newton Investment Management brand (collectively "Newton" or "Newton Group").

The Newton Group currently includes:

- Newton Investment Management North America LLC ("NIMNA LLC"), and;
- Newton Investment Management Japan Limited ("NIMJ").

NIMNA LLC was established in 2021 and incorporates the equity and multi-asset teams from an affiliate, Mellon Investments Corporation, and NIMJ was established in March 2023 and incorporates the Japanese equity management division of an affiliate, BNY Mellon Investment Management Japan Limited. Unless otherwise stated, the information within this Form ADV is limited to Newton Investment Management Limited.

#### ADVISORY BUSINESS

The Firm is an investment adviser registered with the SEC pursuant to the Investment Advisers Act of 1940. The Firm provides investment advisory services to institutional clients including U.S. and non-U.S. clients. In providing advisory services to non-U.S. clients, we are subject to additional non-U.S. regulation in the United Kingdom and currently rely on certain exemptions from registration in Canada and Australia. We provide discretionary and non-discretionary investment advisory services to institutional investors in the form of separate accounts, act as sub-adviser to registered investment companies, UCITS funds, private funds, and other commingled vehicles, including collective investment funds that are offered or maintained by The Bank of New York Mellon and its affiliates, and to other investment advisers through sub-advisory agreements.

For separate accounts, We offer investment advisory services tailored to meet clients' individual investment goals. We work with clients to create investment guidelines mutually acceptable to the client and the Firm. When creating investment guidelines, clients are able to impose investment restrictions on certain individual securities or types of securities. Clients who impose investment restrictions are advised that such restrictions can limit our ability to employ a particular strategy and can potentially result in investment performance that differs from the intended strategy and from other accounts that have not imposed such restrictions. The strategies in which we may invest client assets are described in Item 8 and the fees we receive for managing such strategies are described in Items 5 and 6.

Certain Newton employees are also officers of one or more Firm affiliates ("dual officers"). If consistent with a client's investment objectives and otherwise suitable, we invest client assets in collective investment funds for which The Bank of New York Mellon, an affiliated New York chartered bank (the "Bank") serves as trustee and account custodian. We also manage assets of collective investment funds as a sub-adviser appointed by the Bank. The collective investment funds are further described in Schedule A(s) of the applicable collective investment fund plan documents, which are



available upon request. *Please also see Item 10 for more information on our dual officer/employee arrangements (Dual Officers and Employees).*

## MANAGED ACCOUNT/WRAP FEE PROGRAMS

The Firm serves as a non-discretionary sub-adviser in connection with managed account/wrap-fee programs. Newton currently has two contracted arrangements with affiliates, as sub-adviser, they are with:

- BNY Mellon Securities Corporation (“BNYMSC”) and
- Bank of New York Mellon Corporation Wealth Management (“BNYMW”)

A client in a wrap fee program (“wrap fee program”) typically receives professional investment management of account assets through one or more investment advisers participating in the wrap fee program and also receives trade execution, custodial, performance monitoring and reporting services or some combination of these or other services for a single, all-inclusive (or “wrap”) fee charged by the program sponsor and based on the value of the client’s account assets. The program sponsor typically assists the client in defining the client’s investment objectives based on information provided by the client, aids in the selection of one or more investment managers to manage the client’s account and periodically contacts the client to ascertain whether or not there have been any changes in the client’s financial circumstances or objectives that warrant a change in the arrangement or the manner in which the clients assets are managed.

Under these wrap fee program arrangements, our affiliate enters into an agreement with the program sponsor/manager. The program sponsor/manager then delegates responsibility for investment recommendations to us. The primary manager under the program retains ultimate decision-making responsibility for determining which securities are to be purchased or sold for client accounts and for implementation of such decisions pursuant to the agreement entered into with the program sponsor/manager. In such cases, our recommendations are implemented subject only to differences resulting from individual investment guidelines or restrictions, tax harvesting or other needs of the particular program client. We do not act as a program sponsor, nor do we conduct physical trading for any of these programs. We receive a portion of the allocated wrap fee for the services provided.

When we provide investment recommendations in connection with a wrap fee program, we do not negotiate on the client’s behalf brokerage commissions or other costs for the execution of transactions in the client’s account. Instead, in most instances transactions are executed through the program sponsor or through the program sponsor’s designated affiliate given that execution costs for agency transactions typically are included in the all-inclusive fee charged by the program sponsor. Most program agreements, however, provide that other broker-dealers can be selected to execute trades if deemed appropriate to achieve best execution. If a broker-dealer other than the program sponsor or the program sponsor’s designated affiliate is selected to effect a trade for a client’s account, any execution costs charged by that other broker-dealer typically are charged separately to the client’s account. Accordingly, clients who elect to participate in wrap fee programs should satisfy themselves that the program sponsor is able to provide best execution for transactions.

In evaluating a wrap fee program, clients should consider a number of factors. A client may be able to obtain some or all of the services available through a particular program on an “unbundled” basis through the program sponsor or through other firms and, depending on the circumstances, the aggregate of any separately paid fees may be lower (or higher) than the single, all-inclusive fee charged in the program. Payment of an asset-based fee can potentially produce accounting, bookkeeping or income tax results that differ from those resulting from the separate payment of (i) securities commissions and other execution costs on a trade-by-trade basis and (ii) advisory fees. Any securities or other assets used to establish a program account can be sold, and the client will be responsible for payment of any taxes due. The Firm recommends that each client consult with his or her tax adviser or accountant regarding the tax treatment of wrap fee program accounts.

Wrap fee clients participating in wrap fee programs typically receive a disclosure brochure from the program sponsor detailing the wrap fee program prior to their selection of an investment strategy, which includes a description of the services provided by the program sponsor and the applicable fee schedule. The fees and features of each wrap fee program vary and therefore wrap fee program clients should consult the program sponsor’s brochure for the fees and features applicable to their program. We do not act as a program sponsor of any wrap fee program. Program sponsors, however, obtain brokerage, clearing and other wrap fee program services from affiliates of ours, including BNYMSC and BNYMW.



## OWNERSHIP AND ASSETS UNDER MANAGEMENT

Our ownership structure includes: BNY Mellon Corporation, BNY Mellon IHC, LLC, MBC Investments Corporation, BNY Mellon Investment Management (Jersey) Limited, BNY Mellon Investment Management Europe Holdings Limited, BNY Mellon International Asset Management Group Limited and Newton Management Limited. Newton Management Limited owns 100% of the Firm. As of December 31<sup>st</sup> 2023 the Firm had total assets under management of \$45,253,888,211. This figure comprised of:

\$45, 249,123,033 managed on a discretionary basis;

\$4,765,177 managed on a non-discretionary basis.

## CLASS ACTIONS

*Class Actions; Litigation:* It is our policy that we do not advise, initiate or take any other action on behalf of clients relating to securities held in the client's account managed by us in any legal proceeding (including, without limitation, class actions, class action settlements and bankruptcies). The Firm does not file proofs of claims relating to securities held in the client's account and does not notify the client or the client's custodian of class action settlements or bankruptcies relating in any way to such account. Typically, custodians submit filings in connection with class action settlements and handle bankruptcy filings. Each client should consult with its custodian and other service providers to ensure such coverage.



## ITEM 5. FEES AND COMPENSATION

### SEPARATE ACCOUNTS AND SUB-ADVISORY

We provide investment advisory separate account services for a fee. This fee is typically charged as a percentage of assets under our management. Although this fee is typically expressed as an annual percentage, it is calculated quarterly based on closing net assets at each quarter end. We calculate each quarter as 90 days divided by 360 days but can adjust to the exact number of days where there are large investments, disinvestments, terminations or new fees in the period. A client's investment advisory agreement in most instances provides that the client will incur fees and expenses in addition to our advisory fees such as custody, brokerage and other transaction costs, administrative and other expenses. Examples of other costs and expenses include mark-ups, mark-downs and other amounts included in the price of a security, odd-lot differentials, transfer taxes, wire transfer fees and electronic fund fees. Clients are encouraged to carefully review their investment advisory agreements with us for further information on how we report on the effect of costs and charges, and how we charge and collect fees. Please see Item 12 of this Brochure for more information on our brokerage practices.

We reserve the right, at our sole discretion, to negotiate or modify (either up or down) the fee schedule(s) below for any client due to a variety of factors, including but not limited to the level of reporting and administrative operations required to service an account; the investment strategy or style; the number of portfolios or accounts involved; and/or the number and types of services provided to the client. Because our fees are negotiable, the fee paid by any client or group of clients in many instances differs from the fees set out in our standard fee schedule(s) set forth below.

The Firm's standard fees are as follows:

Institutional separate account – Concentrated global equity, global equity income, sustainable global equity income and international equity income strategies

- 0.650% per annum on the first \$100m
- 0.50% per annum on the next \$150m
- 0.40% per annum thereafter

Institutional separate account – Global equity, sustainable global equity, international equity, sustainable international equity, sustainable US equity, future food, future life and future earth strategies

- 0.60% per annum on the first \$100m
- 0.50% per annum on the next \$150m
- 0.40% per annum thereafter

Institutional separate account – Global emerging market equity and sustainable global emerging market equity strategies

- 0.75% per annum on the first \$100m
- 0.60% per annum on the next \$150m
- 0.50% per annum thereafter

Institutional separate account – Global bond strategy

- 0.28% per annum on the first \$100m
- 0.20% per annum on the next \$150m
- 0.15% per annum thereafter



Institutional separate account – Global dynamic bond, sustainable global dynamic bond and global dynamic bond income strategies

- 0.35% per annum on the first \$100m
- 0.30% per annum on the next \$150m
- 0.20% per annum thereafter

Institutional separate account – Global real return and sustainable global real return strategies

- Stepped fee rate
- 0.75% below \$65m
- 0.65% (on all assets) when AUM is between \$65m to \$130m
- 0.60% (on all assets) when AUM is between \$130m to \$260m
- 0.55% (on all assets) when AUM is between \$260m to \$390m
- 0.50% (on all assets) when AUM is in excess of \$390m

Please note: Global real return separate accounts are subject to a minimum level of assets under management (“AUM”), details of which are available upon request.

Where suitable and otherwise appropriate, we invest client assets in pooled investment vehicles that could be managed by us, an affiliate or an external party, (such as exchange traded funds, funds of funds, unit trusts etc.) that themselves charge advisory fees and operational expenses such as transfer agent, distribution, shareholder servicing, networking, and recordkeeping fees. If a client is invested in any such pooled investment vehicle, you will indirectly assume these fees and expenses and, as a result, you will pay higher expenses than if you invested directly in the securities held by the pooled investment vehicle.


A majority of our fees are based on valuations provided by clients’ custodians or pooled investment vehicles’ administrators. Generally, we do not price securities or other assets for purposes of determining fees. From time to time, however, and only to the extent permitted by applicable law (including ERISA), we or one of our affiliates are called upon either to value, or to participate in the valuation process concerning, securities held in client accounts or pooled investment vehicles that we advise, generally only to the extent that market price for the security is not readily available, or where we or our affiliate have reason to believe that the market price is unreliable. We have a conflict of interest in situations where we are involved in the determination of the valuation of an investment because we can benefit by receiving a fee based on the impact, if any, of the increased value of assets in the account. We mitigate any such conflict by requiring, to the extent practicable, pricing from an independent third-party pricing vendor. If vendor pricing is unavailable, we then look to other observable inputs for the valuations including broker-dealers, index providers, and, if applicable, fair value pricing committees of affiliated mutual fund entities. In the event that a vendor price or other observable inputs are unavailable or deemed unreliable, we have established a Pricing and Valuation Oversight Group to make a reasonable determination of a security’s fair value.

#### Sub-Advisory Fees

The Firm also serves as adviser or sub-adviser to investment companies, managed accounts, pooled investment vehicles or other entities or investment vehicles that are unaffiliated with the Firm. We also act as a sub-adviser to certain BNY Mellon Investment Adviser, Inc. funds or other affiliates’ funds. For these investment advisory and/or sub-advisory services, the Firm receives compensation based upon a percentage of assets under management.





Part of  BNY MELLON

## ITEM 6. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

### PERFORMANCE-BASED FEES

We have entered into performance-based fee arrangements with institutional clients investing in both separate accounts and pooled investment vehicles. Most of these arrangements provide for an asset-based management fee, based on the market value of the account at specified quarter ends, together with a performance fee based on the portfolio's gross or net return in excess of a specified benchmark during a designated period of time. The performance-based bonus element is based typically (but not always) on the portfolio return relative to a market or index return.

Performance-based fees are negotiated with each client and the terms vary. For more detailed information on how performance fees are calculated, clients should refer to their investment advisory agreement.

The Firm has experience in managing portfolios with both performance-based fees and non-performance-based fee arrangements, against the MSCI and FTSE indices, as well as peer-group universes, fixed-weight geographic benchmarks and cash-plus benchmarks.

Concentrated global equity, emerging market equity and sustainable emerging market equity strategies performance-based pricing is available upon request.

Typically all other equity and multi-asset relative return strategies offer the following performance based fees:

#### Base Fee:

- 0.25% per annum on the first \$100m
- 0.20% per annum thereafter
- plus 20% performance bonus

The base fee is payable regardless of performance and is subject to a minimum fee of \$125,000 per annum (\$250,000 per annum for the global equity income strategy). The performance bonus is calculated on individual 12-month performance periods as 20% of the monetary value of the outperformance of the benchmark payable in equal instalments over four years. There is an equal and opposite calculation for underperformance which is then offset against any past or future performance bonuses due.

Global real return strategy and sustainable global real return strategy (offered on assets greater than \$65m)

#### Base Stepped Fee:

- 0.65% (on all assets) when AUM is between \$65m to \$130m
- 0.60% (on all assets) when AUM is between \$130m to \$260m
- 0.55% (on all assets) when AUM is between \$260m to \$390m
- 0.50% (on all assets) when AUM is in excess of \$390m

For the first 2 years, the base fee is charged. From 2 1/4 years onwards, the quarterly fee is calculated based upon since inception performance versus the Sterling Overnight Index Average ("SONIA") (or successor) in a linear manner.

The quarterly fee will be in the range of 50% to 150% of base fee and is calculated on a pro rata basis as follows: every 1% over SONIA earns another 12.5% of the base fee and an equal and opposite calculation is used for every 1% under SONIA.

For example, actual performance of:

- SONIA +4% per annum equals 100% of stepped base fee rate
- SONIA +8% per annum equals 150% of stepped base fee rate and
- SONIA +0% per annum equals 50% of stepped base fee rate

Global dynamic bond strategy / sustainable global dynamic bond strategy

Base Ad Valorem (AV) fee: 0.35% pa

For the first 2 years, the base fee is charged. From 2 1/4 years onwards, the quarterly fee is calculated based upon since inception performance versus SONIA (or successor) in a linear manner. The quarterly fee will be in the range of 50% to 150% of base fee and is calculated on a pro rata basis as follows: every 1% over SONIA earns another 25% of the base fee and an equal and opposite calculation is used for every 1% under SONIA.

For example, actual performance of:

- SONIA +2% per annum equals 100% of base ad valorem rate
- SONIA +4% per annum equals 150% of base ad valorem rate and
- SONIA +0% per annum equals 50% of the base ad valorem rate

Global dynamic bond income strategy / sustainable global dynamic bond income strategy

Base Ad Valorem (AV) fee: 0.35% pa

For the first 2 years, the base fee is charged. From 2 1/4 years onwards, the quarterly fee is calculated based upon since inception performance versus SONIA (or successor) in a linear manner. The quarterly fee will be in the range of 50% to 150% of base fee and is calculated on a pro rata basis as follows: every 1% over SONIA earns another 18.75% of the base fee and an equal and opposite calculation is used for every 1% under SONIA.

For example, actual performance of:

- SONIA +3% per annum equals 100% of base ad valorem rate
- SONIA +6% per annum equals 150% of base ad valorem rate and
- SONIA+0% per annum equals 50% of the base ad valorem rate

Global bond strategy (assets greater than \$50m)

Base Fee:

- 0.10% per annum on all assets
- plus 20% performance bonus

The base fee is payable regardless of performance and is subject to a minimum fee of \$50,000 per annum. The performance bonus is calculated on individual 12-month performance periods as 20% of the monetary value of the outperformance of the benchmark payable in equal instalments over four years. There is an equal and opposite calculation for underperformance which is then offset against any past or future performance bonuses due.

## SIDE-BY-SIDE MANAGEMENT

“Side-by-side management” refers to the Firm’s simultaneous management of multiple types of client accounts/investment products. For example, we manage numerous accounts at the same time including separate accounts and pooled investment vehicles. These clients have a variety of investment objectives, policies, strategies, limitations and restrictions. Our affiliates likewise manage a variety of separate accounts, managed accounts, and pooled investment vehicles.

Side-by-side management gives rise to a variety of potential and actual conflicts of interest for us, our employees, supervised persons and our clients. Below we discuss the conflicts that we and our employees and supervised persons face when engaging in side-by-side management and the steps we take to mitigate them. Note that certain of our employees are also officers or employees of one or more of our affiliates (“dual officers”). Please see Item 10 for more information on our dual officer arrangements. When we and our affiliates concurrently manage client accounts/investment products, and particularly where dual officers are involved, this presents the same conflicts described below.

## CONFLICTS OF INTEREST RELATING TO SIDE-BY-SIDE MANAGEMENT OF DISCRETIONARY AND NON-DISCRETIONARY ACCOUNTS

As mentioned above, we and our affiliates manage numerous accounts at the same time, including separate accounts and pooled investment vehicles. Our clients and investors in our pooled vehicles have a variety of investment objectives, policies, strategies, limitations and restrictions. The side-by-side management of these accounts can raise potential conflicts of interest relating to the allocation of investment opportunities and the aggregation and allocation of trades. Moreover, while the portfolio managers generally only manage accounts with similar investment strategies, it is possible, due to varying investment restrictions among accounts, or for other reasons, that certain investments could be made for some accounts and not others.

In limited circumstances, we provide third parties with non-discretionary advisory services referencing the same model portfolio used to manage certain discretionary clients’ accounts. In those cases where we are implementing the model results for only a portion of the assets affected (for example, the portion of the assets over which we have discretionary authority) and therefore cannot apply our internal trade allocation procedures to all of the assets to be affected, we will, where appropriate (i) use reasonable efforts to agree on procedures with such non-discretionary clients designed to prevent one group of clients from receiving preferential trading treatment over another group; or (ii) determine that, given the nature of the assets to be traded or the market on which they are traded, no client would likely be adversely affected if such procedures are not established.

To address these conflicts of interest, we manage our accounts consistent with applicable laws, and we follow policies and procedures that are reasonably designed to treat our clients fairly, that clients have equal access to investment opportunities, and to prevent any client or group of clients from being systematically favored or disadvantaged. For example, we have Trade Allocation Policies and Procedures which are designed and implemented to ensure that all clients are treated fairly and equally, and to prevent any such conflicts from influencing the allocation of investment opportunities among clients. *Please see Item 12 for an explanation of our Trade Allocation Policies and Procedures.*

## CONFLICTS OF INTEREST RELATING TO PERFORMANCE BASED FEES WHEN ENGAGING IN SIDE-BY-SIDE MANAGEMENT

We and our affiliates manage accounts that are charged a performance-based fee. We also manage accounts that only are charged for example, a flat asset-based fee. These different arrangements present a conflict of interest because we have a financial incentive to favor accounts with performance-based fees because we (and our employees and supervised persons) have an opportunity to earn greater fees in connection with our management of such accounts as compared to client accounts without performance-based fees. Such fee arrangements can also create an incentive to



favor higher fee-paying accounts over other accounts with regard to the allocation of trades or investment opportunities. We mitigate these conflicts by performing portfolio reviews and by ensuring that trades are allocated on a fair and equitable basis across all accounts in a strategy, subject to legal, accounting, or other factors, such as cash availability for the investment. In addition, the investment performance on specific accounts is not the sole factor in determining the portfolio manager's compensation, thereby reducing the incentive to favor performance of fee-paying accounts in their allocations and investment decisions.

## CONFLICTS OF INTEREST RELATING TO ACCOUNTS WITH DIFFERENT STRATEGIES

We are a long-only manager and, generally, do not utilize short selling in order to realize profits. The distribution of investment ideas from research analysts is separate from the duties of portfolio management. We have implemented appropriate controls for the dissemination of new research recommendations to ensure fair opportunity to participate in investment ideas. We have in place order allocation and aggregation policies, which are implemented by the trading team which has duties that are segregated from the investment management team. As a result, we do not believe any material conflicts arise in connection with our management of accounts with different strategies.

**Conflicts of Interest Relating to the Management of Multiple Client Accounts** We, and our affiliates, perform investment advisory services for various clients. In many instances we may give advice and take actions in the performance of our duties with respect to certain of our clients which differs from the advice given, or the timing or nature of action taken, with respect to other clients or by our affiliates on behalf of their clients. We have no obligation to purchase or sell for a client any security or other property which we purchase or sell for the account of any other client if we believe it is undesirable or impractical to take such action.

## CONFLICTS OF INTEREST RELATING TO INVESTMENT IN AFFILIATED ACCOUNTS

To the extent permissible under applicable law, we, from time to time, invest some or all of the temporary investments of client accounts in money market mutual funds advised or managed by affiliates. In addition, and where we are permitted under the applicable Investment Management Agreement, we can invest client accounts in other affiliated pooled vehicles. We are presented with conflicts of interest when we allocate investments to these affiliated vehicles because any such allocation can generate additional fees for us or our affiliates. To ensure that client assets are not allocated on the basis of fee generation, we review available investment options to ensure that clients receive best execution and that investments are in the best interests of all clients.

## CONFLICTS OF INTEREST RELATING TO PROPRIETARY ACCOUNTS

We, our affiliates, and current employees from time to time invest in products managed by Newton and we or our related persons from time to time will establish “seeded” funds or accounts for the purpose of developing new investment strategies and products (collectively, “proprietary accounts”). Investments by Newton, our affiliates, or our employees in any such proprietary accounts creates conflicts of interest because they create an incentive for Newton to favor these proprietary accounts by, for example, directing our best investment ideas to these accounts or allocating, aggregating or sequencing trades in favor of such accounts, to the disadvantage of other accounts or to dedicate more time and attention to give them better execution and brokerage commissions than our other client accounts. To mitigate this risk, these accounts are treated the same as all other client accounts. For further information on employees personal account dealing and controls in place, please see Item 11. Code of Ethics, participation or interest in client transactions and personal trading and Item 12 for an explanation of our Brokerage practices and Trade Allocation Policies and Procedures.

## CONFLICTS OF INTEREST RELATING TO THE SHARING OF INTERNALLY GENERATED RESEARCH

Newton has a global internal research sharing policy where internal research is defined as internally generated analysis, data or information created by NIM, NIMNA or NIMJ research and investment employees on either a macro or security specific level. Newton can share internally generated investment research and related research recommendations with a view to enhancing the research and investment opportunities for all portfolios managed by each Firm. This sharing of internally generated research allows for the fair allocation of investment ideas across each firm and avoids one set of clients being advantaged or disadvantaged over another and is undertaken in accordance with applicable laws.

The sharing and subsequent use of internally generated research and related recommendations to inform portfolio management decisions has the potential to cause trade implementation by one ahead of the other firm which could in turn result in one or more clients receiving less favourable trading results. Similarly, the sharing of internally generated research can cause a firm to execute client orders at the same time with the result that one set of clients is disadvantaged vis-à-vis the other (for example, where orders relate to less liquid securities). To mitigate these conflicts, Newton has adopted and implemented policies and procedures that set parameters around the sharing of internally generated research. All reasonable efforts will be made to ensure internal research is published or shared simultaneously across all firms thus allowing for the fair allocation of investment ideas and opportunities across the firms. However, it is recognised that time zones between offices will inherently impact the ability of Portfolio Managers to implement those investment ideas and opportunities other than in normal local working hours, it is also noted that typically, we do not manage the same strategy in different time zones. Both NIM and NIMNA have adopted a trade coordination approach to manage impact on client portfolios from portfolio management decisions, to optimise market participation of the trades to avoid price impact, and to generally ensure fair allocation between both sets of client executions. For a description of the trade coordination approach process please refer to Item 12.

The sharing and subsequent use of such research and/or research recommendations will inform portfolio management decisions. Clients of both the Firm and NIMNA LLC may have conflicting interests and objectives in connection with portfolio management decisions. For example, the Firm may make a decision to sell or liquidate a client position in which NIMNA LLC’s clients are invested which may then result in adverse consequences for NIMNA LLC’s client portfolios and vice versa. Conflicts may also arise in cases where the Firm’s clients are invested in different parts of an issuer’s capital structure compared to NIMNA LLC’s clients, for example, where an issuer has financial difficulty and clients have conflicting interests in any restructuring outcomes.

Newton operates a global restricted list for the purpose of restricting trading in securities across each of Newton’s firms in order to manage material non-public information and/or confidential information that can result from the sharing of



internally generated research. The operation of a global restricted list may result in less investment flexibility for the Firm than if it did not receive internally generated research from its affiliates and operated its own individual restricted list.

## CONFLICTS OF INTEREST POSED BY THE NEWTON INCENTIVE COMPENSATION PLAN

Newton offers highly competitive compensation packages for its key investment professionals. These employees are rewarded using a mix of base salary, annual cash bonus and long-term incentive plan ("LTIP"); these elements combine to provide competitive total compensation packages.

The variable compensation pool available for distribution to staff is calculated as a percentage of Newton's profits. This is then split between annual bonus awards and LTIP awards. Investment performance is, therefore, a key determinant of variable compensation as well as the long-term incentives for our investment professionals. This performance-driven culture permeates every decision we make across corporate decision making, and in our investment selections. We believe that our interests are well aligned with those of our clients.

## OTHER CONFLICTS OF INTEREST

As noted previously, the Firm and its affiliates manage numerous accounts with a variety of interests. This practice gives rise to certain potential or actual conflicts of interest. For example, we can cause multiple accounts to invest in the same investment. Such accounts could have conflicting interests and objectives in connection with any such investment, including differing views on the operations or activities of the portfolio company, the targeted returns for the transaction and the time frame for and method of exiting the investment. Some of our accounts may have gain/loss restrictions requiring them to hold certain securities while they are sold in other accounts. Conflicts also arise in cases where multiple Newton and/or affiliate client accounts are invested in different parts of an issuer's capital structure. For example, one of our client accounts could acquire debt obligations of a company whereas another client account acquires an equity investment. In negotiating the terms and conditions of any such investments, we could conclude that the interests of the debt-holding client accounts and the equity holding client accounts conflict. If that issuer encounters financial problems, decisions over the terms of any workout could raise conflicts of interest (including, for example, conflicts over proposed waivers and amendments to debt covenants). For example, debt holding accounts may be better served by a liquidation of an issuer in which they could be paid in full, whereas equity holding accounts could potentially prefer a reorganization of the issuer that would have the potential to retain value for the equity holders. As another example, holders of an issuer's senior securities could potentially direct cash flows away from junior security holders, and both the junior and senior security holders could be Firm client accounts. As we become aware of any of the foregoing conflicts of interest, they will be discussed and resolved on a case-by-case basis. Any such discussions will factor in the interests of the relevant parties and applicable laws.

We, as a Firm, manage our accounts consistent with all applicable laws and follow policies and procedures that we believe are reasonably designed to treat our clients fairly and to prevent any client or group of clients from being systematically favored or disadvantaged. For example, we have implemented order aggregation and trade allocation policies and procedures which are designed to ensure that all clients are treated fairly and equally, and to prevent these conflicts from influencing the allocation of investment opportunities among clients (*Please see Item 12 for a summary of our key order aggregation and trade allocation related policies and procedures*). Conflicts of interest and potential conflicts are regularly tracked and monitored by the Firm. Further details of actual or potential conflicts of interest identified by Newton and how these are managed are included in Newton's **Global Conflicts of Interest policy**, which is available on Newton's website.

The Firm and its affiliate, NIMNA LLC uses the personnel or services of each other in a variety of ways to share each firm's global investment capabilities. This arrangement in most instances takes the form of a delegation or a direct appointment and can give rise to a number of perceived conflicts of interest. These potential conflicts include conflicts concerning the allocation of investment opportunities across both Firms, the method and timing of the implementation



and execution of client orders, the fact that clients can be directed to a client servicing model that is more suitable for the Firm or its affiliate than the client; and/or that clients are directed to strategies of a respective Firm primarily for fee generation purposes without putting the interests of clients first. These risks are managed in a number of ways including the implementation of policies and procedures designed to ensure equal access to investment opportunities and trade coordination as described in more detail above and in Item 12.

There is currently no delegation arrangements or direct appointments between the Firm and NIMJ.



## ITEM 7. TYPES OF CLIENTS

### TYPES OF CLIENTS

We provide investment advisory services to a wide variety of institutional clients, including U.S. registered investment companies, collective investment funds offered and maintained by the Bank or its affiliates, corporate pension and profit sharing plans, Taft-Hartley plans, Voluntary Employee Beneficiary Associations (“VEBAs”), public plans, trusts, charitable institutions, foundations, endowments, insurance groups, municipalities, family office entities, and sovereign funds as well as other U.S. and international institutions and other non-US regulated funds.

### ACCOUNT REQUIREMENTS

We require clients to execute a written investment management agreement with us which grants us authority to manage their assets. Separate accounts are subject to minimum account sizes which vary depending on the strategy, but also on the complexity of the mandate, therefore each opportunity is assessed on a case-by-case basis; such accounts also be subject to minimum annual fees; *see Item 5 for more information*. Although these are the minimum stated account sizes, from time to time we accept smaller accounts depending on the nature of the client and prospective incremental funding rates or where a relationship currently exists with the client. The Firm reserves the right to waive the minimum account size and negotiate fee rates at its sole discretion.



# ITEM 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

## INVESTMENT RESEARCH PROCESS

Newton's multidimensional research platform (the "Research Platform") integrates a variety of investment inputs including but not limited to, micro & macro themes, fundamental equity, macroeconomic, geopolitical, regional, quantitative, and investigative research.

Our global research team includes fundamental equity, quantitative equity, quantitative multi-asset, specialist research, and credit. Our team also includes a responsible investment group with dedicated subject-matter experts.

The Research Platform works to deliver insights that help navigate the fast-changing market environment. Some investment strategies will use themes as a framework allowing a longer-term perspective that could help to navigate headwinds and tailwinds; The aim of the platform is to bring together specialist research analysts, dedicated credit research analysts, multi-asset analysts and, fundamental equity research analysts and portfolio managers working as one team to deliver for clients.

## ESG CONSIDERATIONS

The Research Platform also considers, in addition to the inputs discussed above, environmental, social and governance ("ESG") factors that, depending on the facts and circumstances, are material to the value of an issuer or instrument.

Any consideration of material environmental, social and governance (ESG) factors into our strategies is not done to seek collateral environmental or societal benefits for their own sake. We seek to consider ESG risks and opportunities (where appropriate and relevant) on the basis that the understanding of the materiality of these issues will help us better identify and assess risk adjusted returns over a proposed investment horizon.

Portfolio managers can choose to buy a security where there are ESG risks if they believe the portfolio will be compensated for taking this risk from a financial perspective.

Whether and how ESG considerations are assessed or integrated into Newton's non-sustainable strategies depends on the asset classes and the particular strategy involved. Newton can and does make investment decisions for these strategies without taking ESG factors into consideration and portfolio managers and analysts make their own decisions with respect to how much emphasis, if any, to place on ESG factors.

## INVESTMENT PROCESS FOR EQUITIES

The Newton Group has developed a fundamental equity research framework that rewrites classifications into clusters that we call "Pods". This approach is designed to group companies with similar characteristics at similar points in their development cycles. Starting with the interest-sensitive/stable pod, there are (typically) increasing idiosyncratic opportunities as we move through the true cyclical, growth cyclical, secular and research and development pods, *i.e.*, the investment opportunities become more stock-specific rather than driven by broader market or macro conditions. The grouping process combines both quantitative and fundamental elements.

The approach applied by Research Analysts is very much one of identifying the best ideas rather than blanket coverage. Each equity in their assigned universe is a potential investment, they are not required to analyze each equity. The research team and the portfolio managers prioritize where to allocate time required for deep, rigorous research on the best ideas, output is driven by how key inputs can influence the valuation of a company's prospects.

The aim is to facilitate a truly transparent opportunity set which portfolio managers can interrogate to view current recommendations, identify the relevant research analyst and communicate in an informed and efficient manner.

The research output from our global research team is supplemented and prioritized by our portfolio managers. The interaction between professionals in research and portfolio management roles is critical to achieving the optimum output from our research. Both research analysts and portfolio managers are involved in the research process with a high degree of engagement between them especially at a regional level, portfolio managers can be involved in a supporting, and sometimes equal, role to assist with coverage of smaller companies and/or regions. Portfolio managers have available the same research tools as analysts when approaching stock research.

**Portfolio construction:** Our portfolio construction process is designed to enable our portfolios to deliver consistent long-term performance.

The portfolio manager draws upon the output of our global research team and conducts their own research to ensure that the portfolio is composed of securities in which we have strong conviction. Portfolios are constructed holistically, with portfolio managers, who have ultimate responsibility for every position within the portfolio, carefully considering risk, making qualitative judgments on the impact of new positions, exiting from current positions or exiting due to market conditions would have on the overall impact on the portfolio.

Model/lead portfolios for each key type of mandate form the basis of the link between idea generation and portfolio construction. To construct models, each team selects stocks from the ideas generated across Newton. Model portfolios are used as a point of reference. Live portfolios are constructed with reference to the model/lead portfolio; the overall balance and risk of the portfolio is taken into consideration, with deviations reflecting the differing mandate objectives and risk parameters.

**Positioning:** In our equity portfolios, the most important aspect of portfolio construction is stock selection as bottom-up decisions drive, to a large extent, a portfolio's allocation to countries, sectors, and currencies. When purchasing a stock, the potential upside is evaluated by the global research and/or the portfolio management team. The valuation and risk assessment is made with a multi-year investment horizon. Stocks are monitored on an ongoing basis, with the research analysts and portfolio managers continually assessing the implications of movements in the markets, the news or any developments affecting the holdings. The information gathered from these reviews culminates in a decision to take profits or to increase, reduce or sell out of a position entirely. As active managers, we seek to steer our clients' investments away from risks which we believe threaten the fulfilment of their objectives.

**Investment risk:** We conduct management of investment risk within the investment process rather than solely through quantitative controls. Our portfolio managers are at the forefront of risk awareness and risk management who actively manage risk and return on a daily basis and participate in the processes of idea generation, sharing, evaluation and implementation in portfolios. Interaction is key to this process.

To avoid unintended risks, the following key groups are involved in monitoring portfolios to ensure that any risk taken is deliberate, intentional and has what we believe to be a commensurate expected return:

- The investment risk team (IRT) is part of the investment risk oversight process for Newton's portfolios and provides information to the investment risk oversight group and senior management on portfolio construction and risk profiles. The IRT produces comparative and independent analyses of portfolios.
- The Equity Investment Risk Oversight Group (EIROG) and Multi Asset Investment Risk Oversight Group (MAIROG) are oversight groups that meet monthly with representatives from the IRT and the investment team to review a detailed pack of information on the risk profiles of portfolios. These groups are responsible for identifying the most important risk-related issues and highlighting them to portfolio managers and senior management. The EIROG and MAIROG report to Newton's Investment Oversight Committee.
- The performance measurement team is involved in analyzing performance and attribution; this analysis is fed back to the IRT, providing useful information on sources of return and risk.

Our portfolios are constructed as holistic seamless portfolios, with the risk and return qualities of the combination of holdings explicitly understood.

## INVESTMENT PROCESS FOR FIXED INCOME

The investment process for fixed income starts with global themes that characterize Newton's investment philosophy. Global themes representing key forces of observable change provide a long-term orientation to our fixed income strategies and a stimulus for debate and research, thereby also steering both our 'top-down' view of the world's bond and currency markets and our 'bottom-up' investment selection process. Themes highlight areas of opportunity as well as those of risk in the global investment landscape.

Our themes are supported by a variety of proprietary models that help us determine value and changing economic trends. Themes help us understand the level of economic growth but also whether there will be an increase in inflation and the demand for and supply of bonds. Themes point us in the direction of markets and sectors that should benefit from global trends and individual companies that are better placed to take advantage of the opportunities and threats that our themes help us identify. We can then use models to see how much of this is already priced into markets. We use our models to inform our thinking and not as an automatic buy or sell signal. Where there are discrepancies between our models and the underlying asset, we can often point to a specific theme that is the cause of the distortion.

The top-down part of the process is responsible for defining which bond asset class we want to buy, how much interest rate risk we wish to assume, and whether, for example, we want long- or short-dated assets and our overall currency exposure.

Having a global approach means that this evaluation enables us to spot the differences between countries. For example, we could conclude a chance of rising inflation and higher central bank rates in one country and not another. We can therefore invest in one government bond market where we expect low inflation and low interest rates to prevail, and perhaps take a short position in the government bonds of another country in which we expect higher inflation and interest rates, by selling bond futures or buying put options on bond futures.

Stronger economic growth is usually supportive of credit and risk assets such as high yield and emerging markets. We aim to exploit the phases of the economic cycle by shifting towards these assets during periods of rising economic growth and back towards government bonds when recessions are likely. Alternatively, we can have a balance between the markets when the direction for economic growth is unclear.

Finally, the level of economic growth and the level of interest rates can determine the value of currencies. Using our top-down process we can define a currency overlay that suits our understanding of the direction and make-up of the global economy. The currency exposure of the strategy can also be used to dampen the overall level of risk we are taking especially if we are entering a period of uncertainty.

A combination of themes and models helps us in our 'bottom-up' bond and sector selection and also provides an understanding of value at the top level. Themes point us in the direction of markets and sectors that should benefit from global trends and individual companies that are better placed to take advantage of the opportunities and threats that our themes help us identify.

Using regression analysis, we filter the global universe to help identify value. These two initial stages result in a more manageable universe of bonds. The credit analysts in consultation with the equity research and responsible investment team carry out detailed company and bond selection. This process incorporates fundamental analysis of the issuer and the issue as well as analysis of proprietary forecasting models, stress tests and peer-group comparisons to arrive at corporate bond recommendations. We work to identify sustainable companies where the interests of bondholders and shareholders are aligned, or in our view are at least likely to become more aligned.

A thematic approach that can be used to identify changing economic trends helps to anticipate when to change the fixed income allocation and to adjust the risk levels. We use a bespoke global bond management portfolio analytics tool which



allows us to simulate the effect of possible buys/sells and cash flow movements to be calculated using 'what if' scenarios. By using the 'what if' tool, it calculates changes to the portfolio, including the possible effect on risk statistics.

**Investment risk:** As with all our portfolios, the management of investment risk is conducted within the investment process rather than solely through quantitative controls.

At the forefront of risk awareness and risk management are the portfolio managers who actively manage risk and return on a daily basis and who ensure we have a repeatable process that enables us to anticipate the changing economic cycle. All investments are chosen by the team, with ultimate responsibility sitting with the portfolio management team.

Rather than using backward-looking VaR analysis, we prefer to stress test fixed income strategies based on the possibility of events in the future. We also use forward-looking scenario analysis and on a daily basis monitor the positions in the portfolio. This review is done both on the fixed income desk and also by Newton's Multi-Asset Investment Risk Oversight Group ("MAIROG"). The output may lead to a re-evaluation of positions if we are not comfortable with the current allocation. Monitoring of the strategy using live pricing can also highlight where the current allocation is working and where we are potentially vulnerable to a change in direction. This is one of the most valuable sources of information on the level of risk being taken and whether the mix of assets is correct for the current market environment.

Portfolios are then subject to the same monitoring as equity portfolios and includes work by IRT, the MAIROG and Performance Measurement Team as described above.

## SUSTAINABLE STRATEGY INVESTMENTS

The sustainable strategies that are offered and provided to clients seeking a sustainability mandate, build from the overall assessment and integration of material ESG factors by seeking to further identify sustainable business and economic models that provide solutions to pressing societal challenges, balancing the interests of stakeholders through their operations, or transitioning away from harmful activities.

Securities considered suitable for sustainable strategies are subject to Newton's sustainable investment framework. This framework is owned by the responsible investment team at Newton. The framework seeks to identify and avoid issuers that participate in specific areas of activity that Newton deems to be harmful from an environmental or social perspective, while at the same time seeking to identify and invest in issuers that are proactively managing environmental and/or social factors to generate sustainable returns.

There are certain types of investments (e.g., cash/cash-like instruments, certain derivatives or index-based instruments) that Newton does not believe present material ESG risks, opportunities and/or issues. As such, we do not evaluate these investments under our sustainable investment framework. Sustainable investment is an evolving discipline and Newton will continue working to develop this framework, both as it relates to different asset classes as well as individual stocks.

## RISKS INVOLVED WITH STRATEGIES OFFERED

Each investment strategy offered by the Firm invests in a variety of securities, derivatives and/or other assets and employs a number of investment techniques that involve certain risks. All investments involve a risk of loss that clients should be prepared to bear. We do not guarantee or represent that our investment program will be successful. Our past results are not necessarily indicative of our future performance and our investment results may vary over time. We cannot assure investors that our investments will be profitable, and in fact, investors could incur substantial losses. The investor's investments with us are not a bank deposit and are not insured or guaranteed by the FDIC or any other government agency.

The tables below and section that follows set forth information concerning the material risks involved with each investment strategy. An "X" in the table indicates that the strategy involves the corresponding risk. An empty box



indicates that the strategy does not involve the corresponding risk in a material way under normal market conditions. However, an empty box does not guarantee that the strategy will not be subject to the corresponding risk.

The risks set forth below represent a general summary of the material risks involved in the investment strategies we offer. If applicable, please refer to the "Risk Factors" section in the offering documents for a more detailed discussion of the risks involved in an investment in a fund.

Global Bond Strategy	Global Dynamic Bond Strategy	Sustainable Global Dynamic Bond Strategy	Sustainable Global Dynamic Income	Global Dynamic Bond Income Strategy	Global Equity Strategy	Sustainable Global Equity Strategy	Global Equity Income Strategy	Sustainable Global Equity Income Strategy	Concentrated Global Equity Strategy	Sustainable US Equity Strategy	Global Emerging Market Equity Strategy	Sustainable Global Emerging Market Equity Strategy	International Equity Strategy	Sustainable International Equity Strategy	International Equity Income Strategy	Global Real Return Strategy	Sustainable Global Real Return Strategy	Global Unconstrained	
X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	Allocation Risk
X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	Banking Industry Risk
X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	Clearance And Settlement Risk
X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	Counterparty Risk
X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	Country, Industry and Market Sector Risk
X	X	X	X	X											X	X	X	X	Credit Risk
X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	Concentration Risk
X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	Cybersecurity Risk
X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	Derivatives Risk
					X	X	X	X	X	X	X	X	X	X	X	X	X	X	Emerging Market Risk – Equities
X	X	X	X	X											X	X	X	X	Emerging Market Risk – Fixed Income
X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	Foreign Currency Risk
X	X	X	X	X											X	X	X	X	Foreign Government Obligations Risk
X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	Foreign Investment Risk

Global Bond Strategy	Global Dynamic Bond Strategy	Sustainable Global Dynamic Bond Strategy	Sustainable Global Dynamic Bond Income Strategy	Global Equity Strategy	Sustainable Global Equity Strategy	Global Equity Income Strategy	Sustainable Global Equity Income Strategy	Concentrated Global Equity Strategy	Sustainable US Equity Strategy	Global Emerging Market Equity Strategy	Sustainable Global Emerging Market Equity Strategy	International Equity Strategy	Sustainable International Equity Strategy	International Equity Income Strategy	Global Real Return Strategy	Sustainable Global Real Return Strategy	Global Unconstrained		
X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	General Risks	
X	X	X	X												X	X	X	Government Securities Risk	
				X	X	X	X	X	X	X	X	X	X	X	X	X	X	Growth And Value Stock Risk	
																		Indexing Strategy Risk	
X	X	X	X	X											X	X	X	Interest Rate Risk	
X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	Investment Strategy Risk
X	X	X	X												X	X	X	Issuer Risk	
				X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	Large Cap Stock Risk
X	X	X	X												X	X	X	SONIA Risk	
X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	Liquidity Risk
X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	Market Risk
X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	Small And Mid-Size Company Risk
				X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	Stock Investing Risk
				X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	Stock Selection Risk
		X	X		X		X		X		X		X			X		X	Sustainable Strategy Investment Risk

## RISK FACTORS

- Allocation risk. The asset classes in which a strategy seeks investment exposure can perform differently from each other at any given time (as well as over the long term), so a strategy will be affected by its allocation among the various asset classes. If the strategy favors exposure to an asset class during a period when that class underperforms, performance may be hurt. In addition, there can be no assurance that the allocation of a strategy's assets among investment strategies and underlying funds will be effective in achieving the strategy's investment goal.
- Banking industry risk. The risks generally associated with concentrating investments in the banking industry, such as interest rate risk, credit risk, and regulatory developments relating to the banking industry.
- Clearance and settlement risk. Many emerging market countries have different clearance and settlement procedures from developed countries. There may be no central clearing mechanism of settling trades and no central depository or custodian for the safe keeping of securities. The registration, record-keeping and transfer of instruments may be carried out manually, which may cause delays in the recording of ownership. Increased settlement risk may increase counterparty and other risk. Certain markets have experienced periods when settlement dates are extended, and during the interim, the market value of an instrument may change. Moreover, certain markets have experienced periods when settlements did not keep pace with the volume of transactions resulting in settlement difficulties. Because of the lack of standardized settlement procedures, settlement risk in emerging markets is more prominent than in more mature markets.
- Counterparty risk. Under certain conditions, a counterparty to a transaction, including repurchase agreements and derivative instruments, could fail to honor the terms of the agreement, default and the market for certain securities or financial instruments in which the counterparty deals may become illiquid.
- Country risk, industry and market sector risk. A strategy may be over weighted or underweighted, relative to the benchmark index, in companies in certain countries, industries or market sectors, which may cause the strategy's performance to be more or less sensitive to positive or negative developments affecting these countries, industries or sectors. In addition, the strategy may, from time to time, invest a significant portion (more than 25%) of its total assets in securities of companies located in particular countries, such as the United Kingdom and Japan, depending on such country's representation within the benchmark index.
- Credit risk. Failure of an issuer to make timely interest or principal payments, or a decline or perception of a decline in the credit quality of a bond, can cause a bond's price to fall, lowering the value of a strategy's investment in such security. The lower a security's credit rating, the greater the chance that the issuer of the security will default or fail to meet its payment obligation. See also "High yield bond risk."
- Concentration risk. A strategy may have a concentrated portfolio due to investment in a limited number of securities, giving rise to concentration risk. A fall in the value of a single security may have a greater impact on the strategy's value than if the strategy had a more diversified portfolio.
- Cybersecurity Risk. In addition to the risks described above that primarily relate to the value of investments, there are various operational, systems, information security and related risks involved in investing, including but not limited to "cybersecurity" risk. Cybersecurity attacks include electronic and non-electronic attacks that include but are not limited to gaining unauthorized access to digital systems (e.g., through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data or causing operational disruption. Cybersecurity attacks also may be carried out in a manner that does not require gaining unauthorized access, such as causing denial of service attacks on websites (i.e., efforts to make services unavailable to intended users). As the use of technology has become more prevalent, we and the client accounts we manage have become potentially more susceptible to operational risks through cybersecurity attacks. These attacks in turn could cause us and client accounts (including funds) we manage to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures, and/or financial loss. Similar adverse consequences could result from cybersecurity incidents affecting issuers of securities in which we invest, counterparties with which we



engage in transactions, third-party service providers (e.g., a client account's custodian), governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers and other financial institutions and other parties. While cybersecurity risk management systems and business continuity plans have been developed and are designed to reduce the risks associated with these attacks, there are inherent limitations in any cybersecurity risk management system or business continuity plan, including the possibility that certain risks have not been identified. Accordingly, there is no guarantee that such efforts will succeed, especially since we do not directly control the cybersecurity systems of issuers or third-party service providers.

- Derivatives risk. A small investment in derivatives could have a potentially large impact on the strategy's performance. The use of derivatives involves risks different from, or possibly greater than, the risks associated with investing directly in the underlying assets. Derivatives can be highly volatile, illiquid and difficult to value, and there is the risk that changes in the value of a derivative held by the strategy will not correlate with the underlying instruments or the strategy's other investments. Derivative instruments also involve the risk that a loss may be sustained as a result of the failure of the counterparty to the derivative instruments to make required payments or otherwise comply with the derivative instruments' terms. Certain types of derivatives involve greater risks than the underlying obligations because, in addition to general market risks, they are subject to illiquidity risk, counterparty risk and credit risk. Additionally, some derivatives involve economic leverage, which could increase the volatility of these investments as they may fluctuate in value more than the underlying instrument.
- Emerging market risk – equities. The securities of issuers located in emerging markets tend to be more volatile and less liquid than securities of issuers located in the markets of more mature economies, and generally have less diverse and less mature economic structures and less stable political systems than those of developed countries. These securities are often subject to rapid and large changes in price. The imposition of sanctions, confiscations, trade restrictions (including tariffs) and other government restrictions by the United States and other governments, or problems in share registration, settlement or custody, may also result in losses.
- Emerging market risk – fixed income. The securities of issuers located in emerging markets tend to be more volatile and less liquid than securities of issuers located in the markets of more mature economies, and generally have less diverse and less mature economic structures and less stable political systems than those of developed countries. In addition, such securities often are considered to be below investment grade credit quality and predominantly speculative. The imposition of sanctions, confiscations, trade restrictions (including tariffs) and other government restrictions by the United States and other governments, or problems in share registration, settlement or custody, may also result in losses.
- Foreign currency risk. Investments in foreign currencies are subject to the risk that those currencies will decline in value relative to the U.S. dollar, or in the case of hedged positions, that the U.S. dollar will decline relative to the currency being hedged. Currency exchange rates may fluctuate significantly over short periods of time. A decline in the value of foreign currencies relative to the U.S. dollar will reduce the value of securities held by the strategy and denominated in those currencies. Foreign currencies are also subject to risks caused by inflation, interest rates, budget deficits and low savings rates, political factors and government controls.
- Foreign government obligation risk. Investing in the sovereign debt of countries creates exposure to the direct or indirect consequences of political, social or economic changes in the countries that issue the securities or in which the issuers are located. The ability and willingness of sovereign obligors in countries or the governmental authorities that control repayment of their debt to pay principal and interest on such debt when due may depend on general economic and political conditions within the relevant country. Certain countries in which the strategy may invest have historically experienced, and may continue to experience, high rates of inflation, high interest rates and extreme poverty and unemployment. Some of these countries are also characterized by political uncertainty or instability. Additional factors which may influence the ability or willingness to service debt include a country's cash flow situation, the availability of sufficient foreign exchange on the date a payment is due, the relative size of its debt service burden to the economy as a whole and its government's policy towards the International Monetary Fund, the International Bank for Reconstruction and Development and other international agencies. The ability of a foreign sovereign obligor to make timely payments on its external debt obligations also will be strongly influenced by the obligor's balance of payments, including export performance, its access to international credits and investments, fluctuations in interest rates and the extent of its foreign reserves. A governmental obligor may default

on its obligations. Some sovereign obligors in countries have been among the world's largest debtors to commercial banks, other governments, international financial organizations and other financial institutions. These obligors, in the past, have experienced substantial difficulties in servicing their external debt obligations, which led to defaults on certain obligations and the restructuring of certain indebtedness. The imposition of sanctions, confiscations, trade restrictions (including tariffs) and other government restrictions by the United States and other governments, or problems in share registration, settlement or custody, may also result in losses.

- Foreign investment risk. Special risks associated with investments in foreign companies include exposure to currency fluctuations, less liquidity, less developed or less efficient trading markets, lack of comprehensive company information, political or economic instability, seizure or nationalization of assets, imposition of taxes or repatriation restrictions and differing auditing and legal standards. The securities of issuers located in emerging markets can be more volatile and less liquid than those of issuers in more mature economies. The imposition of sanctions, confiscations, trade restrictions (including tariffs) and other government restrictions by the United States and other governments, or problems in share registration, settlement or custody, may also result in losses.
- General risks. Each investment strategy we offer invests in a variety of securities and employs a number of investment techniques that involve certain risks. Investments involve risk of loss that clients should be prepared to bear. We do not guarantee or represent that our investment program will be successful. Our past results are not necessarily indicative of our future performance and our investment results may vary over time. We cannot assure investors that our investments will be profitable, and in fact, investors could incur substantial losses. The investor's investments with us are not a bank deposit and are not insured or guaranteed by the FDIC or any other government agency.
- Government securities risk. Not all obligations of the U.S. government's agencies and instrumentalities are backed by the full faith and credit of the U.S. Treasury. Some obligations are backed only by the credit of the issuing agency or instrumentality, and in some cases there may be some risk of default by the issuer. Any guarantee by the U.S. government or its agencies or instrumentalities of a security held by the strategy does not apply to the market value of such security. A security backed by the U.S. Treasury or the full faith and credit of the United States is guaranteed only as to the timely payment of interest and principal when held to maturity. In addition, because many types of U.S. government securities trade actively outside the United States, their prices may rise and fall as changes in global economic conditions affect the demand for these securities. No assurance can be given that the U.S. government will provide financial support to its agencies and instrumentalities, since it is not obligated to do so by law.
- Growth and value stock risk. By investing in a mix of growth and value companies, the strategy assumes the risks of both. Investors often expect growth companies to increase their earnings at a certain rate. If these expectations are not met, investors can punish the stocks inordinately, even if earnings do increase. In addition, growth stocks typically lack the dividend yield that can cushion stock prices in market downturns. Value stocks involve the risk that they may never reach their expected full market value, either because the market fails to recognize the stock's intrinsic worth, or the expected value was misgauged. They also may decline in price even though in theory they are already undervalued.
- Interest rate risk. Prices of debt securities tend to move inversely with changes in interest rates. Typically, a rise in rates will adversely affect the prices of these securities and, accordingly, the value of investment. The longer the effective maturity and duration of the strategy's portfolio, the more the value of the investor's investment is likely to react to interest rates. Mortgage-related securities can have a different interest rate sensitivity than other bonds, however, because of prepayments and other factors, and may carry additional risks and be more volatile than other types of debt securities due to unexpected changes in interest rates.
- Investment strategy risk. A strategy's investment criteria (for example, sustainability) may limit the number of investment opportunities available to the strategy, and, as a result, at times the strategy's returns may be lower than those of strategies that are not subject to such special investment considerations.
- Issuer risk. The value of a security may decline for a number of reasons which directly relate to the issuer, such as management performance, financial leverage and reduced demand for the issuer's products or services.

- Large cap stock risk. To the extent a strategy invests in large capitalization stocks, the strategy may underperform strategies that invest primarily in the stocks of lower quality, smaller capitalization companies during periods when the stocks of such companies are in favor.
- Cybersecurity Risk: With the increased use of technologies to conduct business, Newton and its affiliates are susceptible to operational, information security and related risks. For example, computer, communications, data processing, networks, backup, business continuity or other operating, information or technology systems, including those outsourced to other providers, may fail to operate properly or become disabled, overloaded or damaged as a result of a number of factors. These factors could include events that are wholly or partially beyond our control and may have a negative effect on our ability to conduct business activities. We believe that we have taken reasonable steps to mitigate these risks, but do not believe that we can eliminate them altogether. In general, cyber incidents can result from deliberate attacks or unintentional events and may arise from external or internal sources. Cyber-attacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through “hacking” or malicious software coding) for purposes of misappropriating assets or sensitive information; corrupting data, equipment or systems; or causing operational disruption. Cyber-attacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users). Cyber incidents affecting Newton, its affiliates, or any other service providers (including, but not limited to, accountants, custodians, transfer agents and financial intermediaries used by a fund or account) have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, interference with the ability to calculate NAV, impediments to trading, the inability to transact business, destruction to equipment and systems, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs. Similar adverse consequences could result from cyber incidents affecting issuers of securities in which a fund or account invests, counterparties with which a fund or account engages in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions (including financial intermediaries and service providers) and other parties.
- Liquidity risk. When there is little or no active trading market for specific types of securities, it can become more difficult to sell the securities at or near their perceived value. In such a market, the value of such securities and the value of the investor’s investment may fall dramatically. Liquidity risk also exists when a particular derivative instrument is difficult to purchase or sell. If a derivative transaction is particularly large or if the relevant market is illiquid (as is the case with many privately negotiated derivatives), it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price. The secondary market for certain municipal bonds tends to be less well developed or liquid than many other securities markets, which may adversely affect the strategy’s ability to sell such municipal bonds at attractive prices.
- Market risk. The market value of a security may decline due to general market conditions that are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates, outbreaks of an infectious disease, or adverse investor sentiment generally. A security’s market value also may decline because of factors that affect a particular industry or industries, such as labour shortages or increased production costs and competitive conditions within an industry. Global economies and financial markets are becoming increasingly interconnected, and conditions and events in one country, region or financial market may adversely impact issuers in a different country, region or financial market. These risks may be magnified if certain events or developments adversely interrupt the global supply chain; in these and other circumstances, such risks might affect companies world-wide.
- Small and midsize company risks. Small and midsize companies carry additional risks because the operating histories of these companies tend to be more limited, their earnings and revenues less predictable (and some companies may be experiencing significant losses), and their share prices more volatile than those of larger, more established companies. The shares of smaller companies tend to trade less frequently than those of larger, more established companies, which can adversely affect the pricing of these securities and the strategy’s ability to sell these securities. These companies may have limited product lines, markets or financial resources, or may depend on a limited management group. Some of the strategy’s investments will rise and fall based on investor perception

rather than economic factors. Other investments are made in anticipation of future products, services or events whose delay or cancellation could cause the stock price to drop.

- **Stock investing risk.** Stocks generally fluctuate more in value than bonds and may decline significantly over short time periods. There is the chance that stock prices overall will decline because stock markets tend to move in cycles, with periods of rising prices and falling prices. The market value of a stock may decline due to general market conditions that are not related to the particular company, such as real or perceived adverse economic conditions, changes in the outlook for corporate earnings, changes in interest or currency rates, or adverse investor sentiment generally. A security's market value also may decline because of factors that affect a particular industry, such as labor shortages or increased production costs and competitive conditions within an industry, or factors that affect a particular company, such as management performance, financial leverage, and reduced demand for the company's products or services.
- **Stock selection risk.** Although the strategy seeks to manage risk by broadly diversifying among industries and by maintaining a risk profile generally similar to the relevant index, the strategy is expected to hold fewer securities than the index. Owning fewer securities and having the ability to purchase companies not listed in the index can cause the strategy to underperform the index.
- **Sustainable strategy investment risk.** Where the strategy follows a sustainable investment approach, this could cause it to perform differently than strategies that have a similar objective but which do not integrate sustainable investment criteria when selecting securities. These strategies could have limited exposure to some companies, industries or sectors as a result and may forego certain investment opportunities, or dispose of certain holdings, that do not align with their sustainability criteria. As a result, accounts that follow a sustainable investment approach could underperform similar accounts that do not follow a sustainable investment approach. As investors can differ in their views of what constitutes a sustainable investment, these strategies could also invest in assets that do not reflect the beliefs and values of any particular investor. The regulatory framework applying to sustainable products and sustainable investing is rapidly evolving. As such, the aims and investments of the sustainable strategies may be subject to change over time in order to comply with new requirements or applicable regulatory guidance.

## ITEM 9. DISCIPLINARY INFORMATION

From time to time, Newton and/or BNY Mellon and its affiliates may be involved in regulatory examinations or litigation that arise in the ordinary course of our business.

On 21 February 2019, the UK Financial Conduct Authority (“FCA”) found that Newton Investment Management Limited (“Newton”), through the actions of a former employee in 2014 and 2015, shared information with three other UK investment advisers in relation to two initial public offerings and one placing by UK issuers by disclosing the price it intended to pay, or accepting such information, or both, shortly before the share prices were set. The FCA found that parts of this conduct violated the UK Competition Act 1998. Newton self-reported this matter to the FCA following identification of the issue. The former employee’s actions contravened Newton’s code of conduct and ethical standards, and the employee has since been dismissed. The Bank of New York Mellon Corporation (“BNYM”) was found jointly and severally liable by reason of being Newton’s ultimate parent company. Neither BNYM nor any of its employees was involved in any aspect of the relevant conduct and there has been no allegation nor negative finding by the FCA in respect of the conduct of BNYM.



## ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

### AFFILIATED FINANCIAL SERVICES

NIMNA LLC is registered as an Investment Adviser with the US Securities and Exchange Commission. NIMJ is authorized and regulated by the Japan Financial Services Agency (JFSA). The Firm, NIMNA LLC and NIMJ are collectively referred to as the “Newton Group”. NIMNA LLC & NIMJ, and other affiliates of the BNY Mellon group, provide a number of different services to the Firm. NIM also acts as a participating affiliate in respect of providing certain investment management related services to NIMNA LLC. The Firm, NIMNA LLC & NIMJ are owned by BNY Mellon.

### BNY MELLON IS A GLOBAL FINANCIAL SERVICES COMPANY

BNY Mellon is a global financial services company providing a comprehensive array of financial services (including asset management, wealth management, asset servicing, clearing and execution services, issuer services and treasury services) through a world-wide client focused team that enables institutions and individuals to manage and service their financial assets. BNY Mellon Investment Management is the umbrella designation for BNY Mellon’s affiliated investment management firms, wealth management business, and global distribution companies and is responsible, through various subsidiaries, for U.S. and non-U.S. retail, intermediary and institutional distribution of investment management and related services.

We enter into transactions with unaffiliated counterparties or third party service providers who can be using affiliates of ours to execute such transactions. Additionally, when we effect transactions in American Depositary Receipts (“ADRs”) or other securities, the involved issuers or their service providers could be using affiliates for support services. Services provided by our affiliates to such unaffiliated counterparties, third party service providers and/or issuers include, for example, clearance of trades, purchases or sales of securities, serving as depository bank to issuers of ADRs, providing foreign exchange services in connection with dividends and other distributions from foreign issuers to owners of ADRs, or other transactions not contemplated by us. Although one of our affiliates receives compensation for engaging in these transactions and/or providing services, the decision to use or not use an affiliate of ours is made by the unaffiliated counterparty, third party service provider or issuer. Further, we will likely be unaware that the affiliate is being used to enter into such transaction or service.

BNY Mellon and/or its other affiliates gather data from us about our business operations, including information about holdings within client portfolios, which is required for regulatory filings to be made by us, BNY Mellon or other affiliates (e.g., reporting beneficial ownership of equity securities) or for other compliance, financial, legal or risk management purposes, pursuant to policies and procedures of the Firm, BNY Mellon or other affiliates. This data is deemed confidential and procedures are followed to ensure that any information is utilized solely for the purposes intended.

### BNY MELLON’S STATUS AS A BANK HOLDING COMPANY

BNY Mellon and its direct and indirect subsidiaries, including us, are subject to (1) certain U.S. banking laws, including the Bank Holding Company Act of 1956, as amended (the “BHCA”), (2) regulation and supervision by the Board of Governors of the Federal Reserve System (the “Federal Reserve”), and (3) the provisions of, and regulations under, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”). The BHCA the Dodd-Frank Act (other applicable banking laws, and the regulatory agencies, including the Federal Reserve, that interpret and administer these laws) can restrict (1) the transactions and relationships among BNY Mellon, its affiliates (including us) and our clients, and (2) our investments, transactions and operations. For example, the BHCA regulations applicable to BNY Mellon and us can, restrict our ability to make certain investments or the size of certain investments, impose a maximum holding period on some or all of our investments, and restrict our ability to participate in the management and operations of the companies in which we invest. In addition, certain BHCA regulations require aggregation of the

positions owned, held or controlled by related entities. Thus, in certain circumstances, positions held by BNY Mellon and its affiliates (including us) for client and proprietary accounts may need to be aggregated and may be subject to a limitation on the amount of a position that may be held. Any such limitations can have an adverse effect on our ability to manage client's investment portfolios. For example, depending on the percentage of a company that we and our affiliates (in the aggregate) control at any given time, the limits may: (1) restrict our ability to invest in that company for certain clients or (2) require us to sell certain client holdings of that company when it may be undesirable to take such action. Additionally, in the future BNY Mellon may in the future, in its sole discretion and without notice, engage in activities affecting us in order to comply with the BHCA and the Dodd-Frank Act or other legal requirements applicable to (or reduce or eliminate the impact or applicability of any bank regulatory or other restrictions on) us and accounts that we and our affiliates managed.

## THE VOLCKER RULE

The Dodd-Frank Act includes provisions that have become known as the "Volcker Rule," which restrict bank holding companies, such as BNY Mellon and its subsidiaries (including us) from (i) sponsoring or investing in a private equity fund, hedge fund or otherwise "covered fund", with the exception, in some instances, of maintaining a de minimis investment, subject to certain other conditions and/or exceptions, (ii) engaging in proprietary trading, and (iii) entering into certain transactions involving affiliated covered funds.

The Volcker Rule generally prohibits certain transactions involving an extension of credit or other type of transaction as set forth in applicable regulations between BNY Mellon and its affiliates, on the one hand, and "covered funds" managed or sponsored by BNY Mellon and/or its affiliates (including us), on the other hand, subject to certain exemptions pursuant to which such extensions of credit are permitted. BNY Mellon affiliates provide securities clearance and settlement services to broker-dealers on a global basis. The operational mechanics of the securities clearance and settlement process can result in an incidental or unintended intraday extension of credit between the securities clearance firm and a "covered fund." As a result, unless an applicable exemption is available, we may be restricted from using a BNY Mellon affiliate as custodian or in other capacities for covered funds as well as be restricted in executing transactions for certain funds through broker-dealers that utilize a BNY Mellon affiliate as their securities clearance firm. Such restrictions could limit the covered fund's selection of service providers and prevent us from executing transactions through broker-dealers we would otherwise use in fulfilling our duty to seek best execution. The Volcker Rule was amended in 2020 to include exemptions that permit a broader range of transactions between BNY Mellon and its affiliates and relevant covered funds. BNY Mellon intends to rely on such exemptions to the extent it deems appropriate.

## AFFILIATED PLACEMENT AGENTS

We have affiliated "placement agents," including BNY Mellon Securities Corporation (BNYMSC), BNY Mellon Investment Management EMEA Limited, BNY Mellon Asset Management Canada and other BNY Mellon entities, who solicit persons to invest in various products, including our separate account products, for which we act as investment manager. We or our affiliates are solely responsible for the payment of these commissions and fees - they will not be borne by our separate account clients. Nonetheless, these financial arrangements present a conflict of interest because they provide a financial incentive to the placement agents and their employees and/or sales representatives to steer investors toward those separate account models that will generate higher commissions and fees. *Please see Item 14 for more information on the compensation arrangements related to client referrals.*

Newton dedicated sales and client service personnel, employed by our affiliate NIMNA LLC, are registered representatives of our affiliate, BNYMSC, a registered investment adviser under the Investment Advisers Act of 1940, as amended, a registered broker-dealer under the Securities Exchange Act of 1934, as amended, and a member of the Financial Industry Regulatory Authority (FINRA). In their capacity as registered representatives of BNYMSC, these employees sell and provide services regarding strategies managed by us. There is a financial arrangement in place between the Firm, NIMNA LLC and BNYMSC with respect to these services..



## AFFILIATED REVENUE SHARE ARRANGEMENTS

We have affiliated revenue share agreements in place with other BNY Mellon entities. Under such arrangements, these entities solicit persons to invest in various funds for which we provide investment sub-advisory services, separate account strategies and sometimes also provide other administrative services. In certain instances, we enter into revenue sharing arrangements with affiliates where we either receive a portion of the fee, or bill the entire fee to the client and reimburse the affiliate. We or our affiliates are solely responsible for the payment of these fees. They will not be borne by clients or fund investors (directly or indirectly) and come out of our own profits. *Please see Item 14 for more information on the compensation arrangements related to client referrals.*





## AFFILIATED SERVICE PROVIDERS

In addition, to the extent permitted under applicable law, placement agents and their respective affiliates provide brokerage and certain other financial and securities services to the Firm, its affiliates or related private funds. Such services, if any, will be provided at competitive rates. BNY Mellon is also affiliated with service providers, distributors and consultants that may provide services and may receive fees from BNY Mellon in connection with such services, which may incentivise such persons to distribute interests in other BNY Mellon products (e.g., a private fund).

## DUAL OFFICERS AND EMPLOYEES

Certain of our employees and related personnel act as officers or employees of, The Bank of New York Mellon, an affiliated New York chartered bank (the "Bank") for the purposes of providing administrative, operational, and certain oversight services to certain collective investment funds or separate accounts of the Bank and we receive a fee for our provision of such services.

We may also provide sub-advisory services to certain affiliated registered investment companies by serving as a sub-adviser to BNY Mellon Investment Adviser, Inc. and to certain affiliated collective investment funds by serving as sub-adviser to the Bank. For such services, we receive a portion of the investment management fee received by BNY Mellon Investment Adviser, Inc. or the Bank respectively from each investment company or collective investment fund to which it renders advice.

## OTHER RELATIONSHIPS

In addition, BNY Mellon personnel, including certain Firm employees, have board, advisory, or other relationships with issuers, distributors, consultants and others that have investments in a private fund and/or related funds or that recommend investments in a private fund or distribute interests in a private fund. To the extent permitted by applicable law, BNY Mellon and its affiliates, including the Firm and its personnel, from time to time make charitable contributions to institutions, including those that have relationships with investors or personnel of investors. As a result of the relationships and arrangements described in this paragraph, placement agents, consultants, distributors and other parties would have conflicts associated with their promotion of a private fund, or other dealings with a private fund, that create incentives for them to promote a private fund.

Some of our clients retain consulting firms to assist them in selecting investment managers. Some consulting firms provide services to both those who retain investment managers and to an investment management firms, and in some instances we provide separate advisory services directly or indirectly to employees of such consulting firms. From time to time we pay to attend conferences sponsored by consulting firms and/or purchase services from consulting firms where we believe those services will be useful to us in operating our investment management business. We do not pay referral fees to consultants. However, our clients and prospective clients should be aware that consulting firms often have business relationships with investment management firms that they recommend to their clients.

BNY Mellon maintains, and we have adopted, a Code of Conduct that addresses these types of relationships and the conflicts of interest they present, including the provision and receipt of gifts and entertainment.

BNY Mellon, among several other leading investment management firms, has a minority equity interest in Kezar Markets, LLC (f/k/a Titan Parent Company, LLC), which owns Kezar Markets, LLC (f/k/a Luminex Trading and Analytics LLC ("Kezar")), a registered broker-dealer under the Exchange Act, that operates two alternative trading systems for securities (the "Alternative Trading System"). Transactions for clients for which we serve as adviser or sub-adviser may be executed through the Alternative Trading System consistent with our duty to seek best execution. We and BNY Mellon disclaim that either is an affiliate of Kezar.

## AFFILIATED BROKER-DEALERS AND INVESTMENT ADVISERS

We are affiliated with a significant number of advisers and broker-dealers. *Please see our Form ADV, Part 1A - Schedule D, Section 7.A for a list of our affiliated advisers and broker-dealers. Several of our investment adviser affiliates have, collectively, a significant number of investment-related private funds for which a related person serves as sponsor, general partner or managing member (or equivalent), respectively. Please refer to the Form ADV, Part 1A – Schedule D, Section 7.B for each of our affiliated investment advisers for information regarding such firm’s private funds (if applicable) and such firm’s Form ADV, Part 1A – Schedule D, Section 7.A for information regarding related persons that serve in a sponsor, general partner or managing member capacity (if applicable).*

Where we select the broker to effect purchases or sales of securities for client accounts, we use either an affiliated or unaffiliated broker (unless otherwise restricted by an agreement, law or regulation). We have an incentive to enter into transactions with an affiliated broker-dealer, in an effort to direct more commission dollars to the affiliate. However, we have broker selection policies in place that require our selection of a broker-dealer to be consistent with duty to seek best execution, and subject to any client and regulatory proscriptions. *Please see Item 12 below for more information on our broker selection process. Certain unaffiliated broker-dealers that we use to execute trades for our clients*

*use a broker-dealer affiliated with us to clear those trades. In such cases, the clearing broker receives a clearance fee negotiated and paid by the executing broker-dealer. The decision to use an affiliate of ours in these circumstances is made by the unaffiliated executing broker-dealer, and we have no influence over whether a broker-dealer we select to execute client trades clears through one of our affiliates, or the related financial arrangement between them. In addition, we are typically unaware that the executing broker dealer has chosen to use one of our affiliates to clear such trades.*

We provide sub-advisory services to certain affiliated registered investment companies by serving as a sub-adviser to BNY Mellon Investment Adviser, Inc. and to certain bank collective investment funds by serving as a sub-adviser to The Bank of New York Mellon. For such services, we receive a portion of the investment management fee received by BNY Mellon Investment Adviser, Inc. from each investment company, or a portion of the management fee received by The Bank of New York Mellon from each bank collective investment fund, to which the firm renders advice. In addition, we also provide sub-advisory services to other affiliated pooled investment vehicles within the BNY Mellon Group.

We may be prohibited or limited from effecting transactions for a client because of rules in the marketplace, foreign laws, or our own policies and procedures. In certain cases, we may face further limitations because of aggregation issues due to our relationship with affiliated investment management firms. *Please refer to item 6 above and Item 12, below, for a discussion of trade aggregation issues.*

## AFFILIATED UNDERWRITERS

Our broker-dealer affiliates occasionally act as underwriter or as a member of the underwriting syndicate for certain new issue securities, which presents a conflict of interest because it creates an incentive for us to purchase these new issue securities in an effort to provide additional fees to the broker-dealer affiliate.

BNY Mellon has established a policy regarding purchases of securities in an offering in which an affiliate acts as an underwriter or as a member of the underwriting syndicate. In compliance with applicable banking, securities and ERISA regulations, we may purchase on behalf of our clients securities in an offering in which an affiliate is acting as an underwriter or as a member of the underwriting syndicate during the syndication period, as long as requirements of the policy, including written approval and compliance with certain investment criteria are met. The policy prohibits direct purchases from an affiliate for any fiduciary account under any circumstances.

## AFFILIATED WRAP SPONSORS

We are a sub-advisor to various wrap programs sponsored by affiliates, such as BNYMSC and BNYMWM. With respect to accounts which are opened through the wrap programs for which Newton provides non-discretionary advisory model

account services, both affiliated and non-affiliated sponsors obtain advisory, brokerage, clearing, and other wrap program services from affiliates or directly from us, including among others, BNYMSC, Pershing LLC and BNY Mellon Advisors, Inc., formerly Lockwood Advisers, Inc. Our relationships with wrap program sponsors create conflicts of interest for the sponsors and us. A client in a wrap program has access to those investment advisers participating in the program. Wrap program sponsors typically select the investment advisers who participate in the program and provide advice to clients regarding the selection of an investment adviser from among the advisers participating in the program. If the wrap program sponsor is affiliated with us, the sponsor has an incentive to give us access to the program and to steer clients toward us, based on the affiliation rather than based on our expertise or performance or the client's needs. We are, however, subject to the same selection and review criteria as the other advisers who participate in our affiliates' wrap programs. Likewise, we, in the hope of gaining clients through a wrap program, have an incentive to execute brokerage transactions through the program sponsor (whether affiliated or unaffiliated), who in turn has the power to recommend us to program participants.

## AFFILIATED BANKING INSTITUTIONS

BNY Mellon engages in trust and investment business through various banking institutions, including the Bank and BNY Mellon, National Association. These affiliated banking institutions provide certain services to us, such as recordkeeping, accounting, marketing services, and/or referrals of clients. We provide the affiliated banking institutions with sales and marketing materials regarding our investment management services that may be distributed under the name of certain marketing "umbrella designations" such as BNY Mellon, BNY Mellon Wealth Management, BNY Mellon IM, and BNY Mellon Investment Management EMEA.

Certain employees and related personnel are also officers of the Bank. In their capacity as officers of the Bank, our personnel provide administrative, operational and certain oversight services to certain collective investment funds of the Bank and we receive a fee for such services. In addition, our primarily institutional and employee benefit and foundation clients and our affiliated employee benefit plan may invest in certain collective investment funds of the Bank.

Certain clients have established custodial or sub-custodial arrangements with the Bank and other financial institutions that are affiliated with us. Furthermore, the Bank and other financial institutions that are affiliated with us provide services (such as trustee, custodial or administrative services) to issuers of securities. Because of their affiliation with us, our ability to purchase securities of such issuers and to take advantage of certain market opportunities may be subject to certain restrictions and in some cases, prohibited.

## ITEM 11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS, PERSONAL TRADING

Newton has adopted a Code of Ethics policy that incorporates the following standards::

1. BNY Mellon Code of Conduct (the “BNY Mellon Code”); and
2. BNY Mellon personal securities trading policy (the “PSTP”)

The BNY Mellon Code of Conduct sets expectations for business conduct for employees and provides guidance on important legal and ethical issues. In addition, it clarifies the Firm’s responsibilities to clients, suppliers, government officials, competitors and the communities we serve. BNY Mellon’s Code of Conduct covers the following key principles:

1. Respecting Others: We are committed to fostering an inclusive workplace where talented people want to stay and develop their careers. Supporting a diverse, engaged workforce allows us to be successful in building trust, empowering teams, serving our clients and outperforming our peers. We give equal employment opportunity to all individuals in compliance with legal requirements and because it’s the right thing to do.
2. Avoiding Conflicts: We make our business decisions free from conflicting outside influences. Our business decisions are based on our duty to BNY Mellon and our clients, and are not driven by any personal interest or gain. We are to remain alert to any and all potential conflicts of interest and ensure that we identify and mitigate or eliminate any such conflicts.
3. Conducting Business: We secure business based on honest competition in the marketplace. This contributes to the success of our company, our clients and our shareholders. We compete while in full compliance with all applicable laws and regulations. We support worldwide efforts to combat financial corruption and financial crime.
4. Working with Governments: We follow all requirements that apply to doing business with governments. We recognize that practices for dealing with private and government clients are different from a legal perspective.
5. Protecting Company Assets: We ensure all entries made in the company’s books and records are complete and accurate, and comply with established accounting and record-keeping procedures. We maintain confidentiality of all forms of data and information entrusted to us, and prevent the misuse of information belonging to the company or any client.
6. Supporting Our Communities: We take active roles in our communities around the world, both as individuals and as a company. Our long-term success is linked to the strength of the global economy and the strength of our industry. We are honest, fair and transparent in our interactions with our communities and the public at large.

As a global financial institution, BNY Mellon and its subsidiaries (the “Company”) are subject to certain laws and/or regulations governing the personal trading of securities. In order to ensure that all employees’ personal investments are conducted in compliance with the applicable rules and regulations and are free from conflicts of interest, the Company has established limitations on personal trading, as reflected in the PTSP.

The PSTP sets forth procedures and limitations that govern the personal securities transactions of our employees in accounts held in their own names as well as accounts in which they have indirect ownership. We and our related persons and employees, may, under certain circumstances and consistent with the PSTP, purchase or sell for their own accounts securities that we also recommend to clients.

The PSTP imposes different requirements and limitations on employees based on the nature of their business activities for Newton. Each of our employees is generally classified as one of the following:

1. **Investment employee (“IE”)**: IE is an employee who, in the normal conduct of his/her job responsibilities, is on the “public side” of the Information Barrier in accordance with BNY Mellon’s Information Barrier Policy and has access (or is likely to be perceived to have access) to non-public information regarding any advisory client’s

purchase or sale of securities or non-public information regarding the portfolio holdings of any proprietary fund, is involved in making securities recommendations to advisory clients or has access to such recommendations before they are public.

2. **Access decision maker (“ADM”):** Generally, employees are considered to be ADM Employees if they are portfolio managers or research analysts and make or participate in recommendations or decisions regarding the purchase or sale of securities for mutual funds or managed accounts. Portfolio managers of broad-based index funds and traders are not typically classified as ADM Employees.

PSTP overview:

1. IEs and ADMs are subject to preclearance and personal securities reporting requirements, with respect to discretionary accounts in which they have direct or indirect ownership.
2. Transaction reporting is not required for non-discretionary accounts, transactions in exempt securities or certain other transactions that are not deemed to present any potential conflicts of interest.
3. Preclearance is not required for transactions involving certain exempt securities (such as ETFs and open-end investment company securities that are not proprietary funds or money market funds) and short-term instruments, non-financial commodities; transactions in non-discretionary accounts (approved accounts over which the employee has no direct or indirect influence or control over the investment decision-making process); transactions done pursuant to automatic investment plans; and certain other transactions detailed in the PSTP which are either involuntary or deemed not to present any potential conflict of interest.
4. BNYM have a “Preclearance Compliance Officer” who maintains a “restricted list” of companies whose securities are subject to trading restrictions. This list is used by the PTA system to determine whether or not to grant trading authorization.
5. The acquisition of any securities in a private placement requires prior written approvals.
6. With respect to transactions involving BNY Mellon securities, all employees are also prohibited from engaging in short sales, purchases on margin, option transactions (other than employee option plans), and short-term trading (i.e., purchasing and selling, or selling and purchasing BNY Mellon securities within any 60 calendar day period).
7. For IEs, and ADMs securities purchasing and selling, or selling and purchasing the same or equivalent security within 30 calendar days is prohibited, and any profits must be disgorged.
8. No covered employee should knowingly participate in or facilitate late trading, market timing or any other activity with respect to any fund in violation of applicable law or the provisions of such fund’s disclosure documents.

A copy of the BNY Mellon’s Code of Ethics will be provided upon request.

## INTEREST IN CLIENT TRANSACTIONS

Note that while each of the following types of transactions present conflicts of interest for us, as described below, we manage the Firm’s accounts consistent with all applicable laws, and we follow procedures that are reasonably designed to treat the Firm’s clients fairly and to prevent any client or group of clients from being systematically favored or disadvantaged.

### PRINCIPAL TRANSACTIONS

“Principal transactions” are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys any security from or sells any security to any client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated pooled investment vehicle and another client account. The Firm does not engage in principal transactions. We do not engage in principal transactions with respect to US-based clients.

### CROSS TRANSACTIONS

From time to time securities to be sold on behalf of a client may be suitable for purchase by another client. In such instances, if we determine in good faith that the transaction is in the best interest of each client, then we will arrange for the securities to be transferred between the client accounts at an independently determined fair market value (a “cross



trade”). Cross trades present conflicts of interest, as there is an incentive for us to favor one client to the cross trade over the other. For example, if one client account pays performance fees to us, while the other client account pays only asset-based fees, we would have a financial incentive to favor the performance fee-paying account in the cross-trade. However, note that cross trades are subject to Advisers Act restrictions, and will only be undertaken by us as permitted and in compliance with applicable law. Newton does not carry out cross transactions with respect to US-based clients.

## TRANSACTIONS IN SAME SECURITIES

We do not invest in securities for our own account for our benefit.

## INTERESTS IN RECOMMENDED SECURITIES/PRODUCTS

The Firm has a fiduciary duty to manage all client accounts in a fair and equitable manner. We strive to provide the best execution of all securities transactions and aggregate and then allocate securities to client accounts in a fair and timely manner. To accomplish this, the Firm has implemented policies and procedures designed to mitigate and manage the potential conflicts of interest that may arise. A description of these policies and procedures is included below.

On occasion, we may recommend the purchase or sale of securities that are issued by our parent company, BNY Mellon, or underwritten by its affiliate, BNY Mellon Capital Markets, LLC, for client accounts if such recommendation or purchase or sale is in accordance with the client's guidelines and applicable law. In addition, we or a related person may recommend the purchase of securities in certain non-US public funds (e.g. UCITS funds) which we manage and for which we may serve as sole director or managing member or collective investment funds maintained by the Bank (to which our personnel in their roles as dual officers of the Bank provide administrative and operational services and for which we receive a fee and the Bank may receive a custodial fee for custody services). We, our employees, and our related persons currently invest in certain non-US public funds (e.g. UCITS funds) or collective funds that also include client assets managed by us, and we and such related persons receive proportional returns associated with our investment. Additionally, in many instances we receive an investment management fee in our capacity as investment adviser or sub-adviser and related persons (including affiliated broker-dealers) receive certain amounts associated with placement agent fees, custodial fees, administrative fees, loads, or sales charges.

## INVESTMENTS BY RELATED PERSONS AND EMPLOYEES

We and our existing and future employees, our board members, and our affiliates and their employees from time to time invest in products managed by us. We have developed policies and procedures to address any related conflicts of interest created by such investments. We are part of a large diversified financial organization that includes banks and broker-dealers. As a result, it is possible that a related person may, as principal, purchase securities or sell securities for itself that we also recommend to clients. We do permit our employees to invest for their own account within the guidelines and restrictions of the Code of Ethics, as described above. *For more information, please see “Interests in Recommended Securities/Products” in this Item 11, and “Dual Officers and Employees” and “Affiliated Underwriters” in Item 10 with regard to purchases of securities in an offering where an affiliate acts as underwriter or a member of the underwriting syndicate.*

## AGENCY TRANSACTIONS INVOLVING AFFILIATED BROKERS

Neither we nor any of our officers or directors, acting as broker or agent, effects securities transactions for compensation for any client. We are part of a large diversified financial organization that includes broker-dealers. As a result, it is possible that a related person, other than our officers and directors, may, as agent, effect securities transactions for our clients for compensation. *Please also see Item 10 and Item 12 for additional information relating to affiliate arrangements and with regard to purchases of securities in an offering where an affiliate acts as underwriter or a member of the underwriting. Please also see Schedule D, Section 7A of our Form ADV Part 1 for a list of broker-dealers which are our affiliates.*



## FOREIGN EXCHANGE (FX) TRANSACTIONS

Newton effects FX transactions through an affiliate if the affiliate has been appointed as custodian by the client. In such transactions, Newton discloses this relationship, the capacity in which we act, and obtains the consent to so act, when the client opens its discretionary account. If at any time a client wishes to revoke its consent to such transactions, it may provide us with written notice and upon receipt of such notice, we will refrain from engaging in any future FX transactions with the affiliate on the client's behalf. Under no circumstances does Newton receive compensation in relation to such transactions from either the affiliate or the client. Portfolio transaction decisions for its clients are made independently by us and are not based upon the interests of a related person. No client is required by Newton to enter into a relationship with a related person as a condition to the establishment or continuation of an advisory relationship.

## ITEM 12. BROKERAGE PRACTICES

### BROKER SELECTION

Unless specifically directed otherwise by our clients, we have the authority to direct securities transactions on behalf of our clients to broker-dealers we select. All brokerage firms used by Newton are pre-approved via the Newton Counterparty approval process. Brokerage firms approved as part of this process are subject to an approval and ongoing monitoring process, which includes, but is not limited to, the broker's creditworthiness and financial stability, a review of the performance of execution services provided by the broker, and the broker's ability to trade effectively on our clients' behalf. Newton maintains a list of all brokerage firms and counterparties that have been approved. This list is available on request.

The decision as to which brokerage firm or counterparty to use is at the sole discretion of the Newton dealing team and depends on the circumstances of the particular order. Before the dealing team makes a decision, they typically consult the portfolio manager to ascertain the objectives for the order and their preferences in relation to the relative importance of the execution factors, in order that best execution is achieved for its clients. From time to time and consistent with its duty to seek best execution, Newton uses a brokerage firm or counterparty not on the list of approved brokers. Approval must be obtained on a one-off basis before any order is placed.

### SOFT DOLLARS

Section 28(e) of the Securities Exchange Act of 1934 provides a safe harbor that allows an adviser to use dollars generated from brokerage commissions from client transactions ("soft dollars") to pay for brokerage and research services provided by broker-dealers or third parties.

The term 'soft dollars' is commonly understood to refer to arrangements where an investment adviser uses client (or fund) brokerage commissions to pay for research and brokerage services to be used by the investment adviser. Newton does not receive research or other products or services other than execution from a broker-dealer or third party in connection with client securities transactions. Newton's procures, records, evaluates and pays for externally produced investment research out of its own resources and consequently, the Firm does not receive research or other products or services other than execution from a broker-dealer or third party in connection with client securities transactions.

### OTHER BROKERAGE PRACTICES - CONFLICTS OF INTEREST

The following brokerage practices may lead to an actual or potential conflict of interest when selecting broker-dealers to execute client trades:

1. receiving client referrals from a broker-dealer;
2. acting on a client's direction to use a particular broker-dealer; and
3. using affiliated broker-dealers.

As a prevention mechanism and as part of Newton's governance framework, various committees will review potential and identified conflicts of interest on an on-going basis. These committees include the Newton Board Risk Committee, Newton Risk & Compliance Committee and the Firm's Dealing and Oversight Group.

### COMPENSATION FOR CLIENT REFERRALS

We do not direct securities transactions to any broker-dealer in exchange for referral of investment management clients.



## DIRECTED BROKERAGE

Certain advisory clients direct Newton to place specific transactions for its account with a designated broker-dealer. Additionally, a client can instruct us to direct a portion of its commission to a specified broker-dealer. In the event that such direction occurs, we expect to have limited capability to negotiate commission levels or obtain volume discounts, and may experience other impediments to achieving best execution. In addition, in meeting the client's brokerage directive, we may not be able to aggregate these transactions with transactions that we effect for other accounts that we manage and we may delay placing the orders for directed transactions until our orders for other accounts have been completed. As a result, the net price paid or received by the directed account can be different than the price paid or received by our other accounts and therefore we may be unable to achieve the most favorable execution for such directed account. Accordingly, directing brokerage can, in many instances, cost clients more money. We may not carry out directed brokerage arrangements if we feel that we may not receive best execution for all our clients.

In the event that a client requests directed brokerage, under the rules of the United Kingdom's Financial Conduct Authority, Newton's duty to achieve best execution would only apply with respect to those aspects or parts of an order not covered by the directed brokerage instruction.

## TRADE AGGREGATION AND TRADE ALLOCATION

Newton places orders for execution across multiple asset classes, including equity, derivatives, fixed income, collective investments and currencies. The Newton trading team places and executes instructions received from portfolio managers.

Newton has a dedicated trading team which handles these instructions as follows:

1. how instructions in the same security and the same direction (i.e. buy or sell) are aggregated; and
2. how the order proceeds or securities are allocated once an execution has been received.

Newton does not trade on its own account, and Newton does not handle any orders for BNY Mellon's own account. Therefore, client orders are not aggregated with those of Newton or BNY Mellon.

Typically, instructions for orders received by the Newton trading team are generated by portfolio managers taking decisions to buy or sell securities for client investment portfolios. Portfolios are managed on a side-by-side basis, as multiple investment portfolios with similar investment objectives are managed concurrently; each has the opportunity to participate in investment ideas generated by the same investment process. As a result of this shared investment process, in many cases multiple instructions will be received by the Newton dealing team for the same security in the same direction, either simultaneously or within the same trading day.

Aggregating instructions for the same security in the same direction into one order provides the opportunity to benefit from average pricing; however the effect of aggregation may also work to a client's disadvantage on a particular order. The Newton trading team seeks to minimize the potential for disadvantage to occur overall while ensuring that instructions received are treated in a fair manner.

It may not always be possible to fully complete all orders by the close of the trading day in the relevant market, for example due to insufficient liquidity, and this may result in a partial execution. The Newton trading team seeks to ensure that order proceeds and securities for both partial and full executions are allocated to order participants in a fair and equitable manner.

## AGGREGATION OF ORDERS

Newton uses a material change notification process for equity, equity-like and fixed income instruments. Recognizing that Newton has a team-based approach for the allocation of investment ideas, Newton maintains that materially significant investment decisions should typically be expected to be implemented consistently across all portfolios within

the strategy. Newton defines a material change to any portfolio as a position change of 50 basis points (0.5%) or greater for a portfolio. For all instructions that meet this criterion for any account in a single or aggregated order an immediate notification is created and sent to Newton's investment team advising them of this change, enabling portfolio managers to join in with the decision, but subsequent trades are subject to Newton's process for trade aggregation which is the same as that which applies to all other orders.

## PROGRAM TRADES

If the Newton trading team receives a program trade that contains orders whereby orders in the same security in the same direction have already been received by the dealing team, the dealers will not aggregate these orders with the existing orders, and allow the order to remain in the program trade if and only if the following conditions are met:

- The program order is small enough to have no material price impact on the security price in and of itself;
- That the program trade is a *bona fide* construct to minimise portfolio dispersion i.e. is a representative slice of the portfolio and not an investment decision per se;
- That the reason for the program trade is different from the existing trade, for reasons including but not limited to: client inflow/outflow, client termination, etc.

Where the trading team receives a program trade that contains orders in securities where the volume of each security to be traded represents a high percentage of the average daily volume (ADV), typically over 20%, the orders will typically be removed from the program trade and be treated as separate orders.

## ALLOCATION OF FULLY COMPLETED ORDERS

Once an order has been fully completed (fully executed in the market), the proceeds or securities are promptly allocated in full to all order participants. Typically, this occurs within two hours of the order completion or 'open period' finishing, if during normal office hours or promptly the following morning if completed outside of normal office hours.

## ALLOCATION OF PARTIALLY COMPLETED ORDERS

Where it has not been possible to fully complete an order by the close of the trading day in the relevant market, the partial execution is allocated promptly to each order participant (a 'partial allocation'). Typically, this occurs within two hours of the close of the relevant market if during normal office hours, or promptly the following morning if completed outside of normal office hours. The residual balance of the order is held over for the next trading day.

Allocations are made on a pro-rata basis for equities, derivatives, investments in collective investment schemes and currencies.

For fixed income, allocations are made on a pro-rata basis unless this would leave a participant with a position, which does not meet the minimum piece size; this is upheld for both buy and sell orders. Where this occurs, the balance forms a 'residual allocation balance' which is allocated to an order participant (selected on a random basis) who did meet the minimum piece size based on their pro-rata allocation.

## TRADING IN INITIAL PUBLIC OFFERINGS

Newton has a written procedure in place for initial public offering (IPO) trading. IPO securities are allocated on a pro rata basis, subject to the above stipulation with respect to minimum trade size for fixed income trades.



## TRADE COORDINATION

As described in Item 4, the Firm and NIMNA LLC seek to optimize the extent to which each can share between the two firms internally generated investment research and/or research recommendations with a view to enhancing the research and investment opportunities for all portfolios managed by both firms. A trade coordination process is in place to notify the respective trading functions of both Firms when dealing in the same security in the same direction above a pre-agreed combined liquidity threshold. Both Firms work to coordinate execution between them to optimise the market participation of the trades to avoid price impact and ensure fair allocation between both sets of client executions.

## TRADE ERRORS

Newton's policy is to put the client in the position it would have been had the error not occurred. Newton applies zero threshold to errors and therefore captures all identified errors and near misses irrespective of the size of the potential gain or loss. In calculating any potential compensation all relevant factors will be considered. If the error results in a loss to the client, the client shall be compensated for such loss. In determining the amount of loss, Newton works with the client to determine an appropriate method of calculation considering circumstances surrounding the error. If the error gives rise to an absolute profit, the client shall retain the profit. If the error gives rise to both a profit and a loss, Newton in most instances aggregates the profit and the loss and only compensates the client the net amount of any such profit or loss. If a trade is duplicated in error, the client will receive the price related to the original (first) transaction. Any loss or gain from the erroneous duplicate transaction will be borne by the Firm.

## ITEM 13. REVIEW OF ACCOUNTS

Newton's portfolio managers and/or client relationship managers take steps to review all client accounts with the client at least once a year or more frequently as agreed. Ad hoc reviews also occur and can be triggered by a number of different factors, for example, a change of portfolio manager. These reviews are typically carried out via face-to-face meetings or conference calls and typically involve a detailed analysis of the portfolio.

Where appropriate, each client receives a report on the performance of their portfolio on a quarterly basis. Such reports generally include a comparison of performance against the agreed benchmark and a market commentary. Additionally, most clients receive a portfolio valuation and accompanying cash and trading statements on a monthly basis.

Where clients have provided a specific instruction, we send out the Firm's monthly valuation reports within eight (8) working days of the month end. Quarterly reports are generally sent out within eighteen (18) working days after the end of the previous quarter.



## ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION

### AFFILIATED MARKETERS

**Affiliated Solicitors and Placement Agents.** From time to time we pay referral fees to our affiliates (and/or their employees) for referrals that result in additional investment management business. These arrangements include certain registered representatives of BNYMSC that offer sales and marketing services to clients in North America on behalf of the Firm. There is a financial arrangement in place between us and BNYMSC. Please see the discussion of affiliated placement agents in Item 10, above.

In addition, certain employees of our affiliate, NIMNA LLC, offer sales and marketing services with respect to Newton's investment strategy capabilities to clients in North America on behalf of the Firm for which a financial arrangement is in place between us and NIMNA LLC. Clients are not responsible for paying any fees to NIMNA LLC, and the fees Newton charges to the client will not be increased as a result of this arrangement between NIM and NIMNA LLC.

In certain circumstances our sales representatives or other Investment Management sales representatives are paid fees for sales. The fees may be based on revenues and can take the form of a one-time payment or may be paid out over a number of years. In addition, our sales representatives and sales representatives of our affiliates within the Investment Management Group are paid for intra-Group referrals to Group counterparts. Those fees are based on the first year's revenue for the Group counterpart.

Our ultimate parent, BNY Mellon, has organized its lines of business into different groups (collectively "Groups"). We are part of the Investment Management Group.

We may pay a fee to an affiliate that has a pre-existing relationship with a new client of the Groups. The fees may be based on revenues and may provide for a one-time payment or payments over a number of years.

Receipt of compensation in connection with the sale of products in which Newton is the sub investment manager and services gives rise to a conflict of interest in that it gives our affiliates an incentive to recommend investment products and services based on the compensation they will receive, rather than solely on a client's needs.

**Unaffiliated Solicitors and Placement Agents.** From time to time we engage unaffiliated third parties to solicit new investment advisory clients. The commissions or fees, if any, payable to such solicitors (also referred to as placement agents) with respect to solicitation of investments with us will be paid solely by us. Clients will not pay fees for these solicitations. These solicitors have an incentive for the client to hire us because we will pay the solicitor for the referral. The prospect of receiving solicitation/placement fees provide such placement agents and/or their sales persons an incentive to favor these sales over the sale of other investments with respect to which the placement agent does not receive such compensation, or receives lower levels of compensation. In addition, to the extent permitted by law, certain placement agents and their respective affiliates provide brokerage and certain other financial and securities services to us or our affiliates. Such services, if any, will be provided at competitive rates.

## ITEM 15. CUSTODY

Rule 206(4)-2 under the Advisers Act (the “Custody Rule”) defines “custody” to include a situation in which an adviser or a related person holds, directly or indirectly, client funds or securities or has any authority to obtain possession of them, in connection with advisory services provided by the adviser.

For purposes of the Custody Rule, we are deemed to have “custody” of certain client assets because certain client funds or securities are held by qualified custodians owned and controlled by The Bank (a related person of Newton). Our related persons serve as general partner/ managing member/trustee (or similar capacity) of investment funds organized as limited partnership/limited liability company/trust and actually maintain possession of client funds or securities for clients whose funds and securities are managed by Newton.

Generally, an adviser that is deemed to have custody of a client’s funds or securities, among other things, is required to arrange for an annual independent verification of such funds or securities in accordance with the Custody Rule (the “Surprise Exam Requirement”). However, the Custody Rule contains an exception from the Surprise Exam Requirement:

1. **Ability to Deduct Fees:** advisers deemed to have custody of client assets solely because of their ability to deduct fees from client accounts are not subject to the Surprise Exam Requirement.
2. **Related Person & Operational Independence:** advisers deemed to have custody of client assets solely because a related person holds client assets will not be subject to the Surprise Exam Requirement, **provided** the adviser and the related person are “operationally independent.”
3. **Pooled Investment Vehicles:** advisers deemed to have custody of the assets of clients formed as pooled investment vehicles will not be subject to the Surprise Exam Requirement, **provided** the pool has audited financial statements that are prepared in accordance with generally accepted accounting principles and such statements are distributed to investors in the pool within 120 days (or 180 days for funds of funds) of the end of the pool’s fiscal year.

We have determined that our operations are independent from those of the Bank as well as other BNY Mellon group qualified custodians holding client funds and securities belonging to the Firm’s clients. Furthermore, under the terms of the agreements between our clients and the qualified custodians, the Firm does not have any authority over the assets and funds within the account beyond discretionary trading authority. Investors in pooled investment vehicles subject to the Custody Rule will receive audited financial statements prepared in accordance with generally accepted accounting principles and audited by an independent public accountant within 120 days of the end of the fiscal year of the pooled investment vehicle.

Discretionary investment advisory clients contracted directly with Newton should regularly receive from your appointed bank, broker-dealer or other qualified custodian an account statement, identifying the amount of funds and each security in the account at the end of the period and setting forth all transactions in the account during that period. Please review these statements carefully. You will also receive account statements separately from us. You are strongly urged to compare the account statements you receive from us with those that you receive from your qualified custodian.

## PHYSICAL CUSTODY

We do not maintain physical possession of client assets held in separately managed accounts. Typically, each of our clients independently selects a custodian with whom it contracts directly. Our authority to instruct the client’s custodian is limited to that granted by the client to us in the respective investment management agreement.



## ITEM 16. INVESTMENT DISCRETION

For separate accounts, Newton typically receives discretionary investment authority over client assets, and clients must grant this discretionary authority to Newton in writing via a contract (otherwise known as an investment management agreement) and/or through an appointment to become the investment adviser of a private fund. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objective(s), guidelines, permissions and restrictions for the particular client account together with all applicable laws and as agreed between Newton and client. In most instances the investment guidelines and restrictions to be adhered to will be written and attached as Schedule(s) to the investment management agreement. For pooled investment vehicles, the Firm also has discretionary investment authority, and must adhere to and follow the investment objective(s) and set of investment policies and/or guidelines of the vehicle rather than tailoring to individual client needs. These vehicles are not able to impose individual investment restrictions on the Firm's investment strategies for underlying investors in these pooled investment vehicles.

Clients must deliver their investment guidelines and restrictions to us in writing, and we will adhere to such guidelines and restrictions when making investment decisions.

## ITEM 17. VOTING CLIENT SECURITIES

As part of the contractual relationship between us and our clients, typically through an investment management agreement, a client may delegate to us its right to exercise voting authority in connection with the securities we manage for that client. Voting rights are most commonly exercised by casting votes by proxy at shareholder meetings on matters that have been submitted to shareholders for approval. Consistent with applicable rules under the Advisers Act, we have adopted and implemented written proxy voting policies and procedures that are reasonably designed: (1) to vote proxies, consistent with our fiduciary obligations, in the best interests of clients; and (2) to prevent conflicts of interest from influencing proxy voting decisions made on behalf of clients. We provide these proxy voting services as part of our investment management service to client accounts and do not separately charge a fee for this service.

We are open to receiving clients' views on voting matters but clients that have granted us with voting authority are not permitted, routinely, to direct us on how to vote in a particular solicitation. However, for example, should we identify that a client has filed or co-filed a shareholder resolution at a company's shareholder meeting, we would seek to support the resolution as it relates to the clients' invested capital in the security that has been used to enable the filing of the resolution.

Clients that have not granted us voting authority over securities held in their accounts will receive their proxies in accordance with the arrangements they have made with their service providers. We generally do not provide proxy voting recommendations to clients who have not granted us voting authority over their securities.

Newton votes on behalf of our clients where we have been authorized to do so. We seek to make proxy voting decisions that are in the best long-term financial interests of our clients.

All voting decisions are based on Newton's voting guidelines. We have used the services of an independent voting service provider to translate these guidelines into explicit voting actions forming a bespoke voting policy. This policy is applied to all our votable holdings, enabling a universal approach to our voting while allowing us to deploy in-depth case-by-case analysis from the stewardship team for those issuers and/or proposals which merit greater focus due to the materiality of our investment or the importance of the issue at hand (e.g., shareholder resolution, corporate action, related-party transactions). In these instances, communication with or input from the wider investment team may be sought, as well as, if relevant, engagement with the investee company. The stewardship team retains the ultimate discretion to deviate the vote instruction from Newton's bespoke policy's recommendation.

Our active approach to voting means that our voting decisions reflect our investment rationale and take into consideration engagement activity, if any, and the investee company's approach to relevant codes, market practices and regulations. These are in all instances applied to the investee company's unique situation.

In general, voting decisions are taken consistently across all Newton's clients that are invested in the same underlying company. This is in line with Newton's investment process that focuses on the long-term success and profitability of the investee company. Further, it is Newton's intention to exercise voting rights in all circumstances where it retains voting authority.

For separate account clients that have afforded Newton voting discretion, it is Newton's intention to exercise voting rights in all markets. In certain markets, shares may be 'blocked' when exercising voting rights. In these instances, Newton will only exercise voting rights when it is in the best interests of our clients.

### **Potential Conflicts of interest may arise such as:**

1. We manage assets for a company whose management is soliciting proxies
2. BNY Mellon executives acting as board members of a investee company whose management is soliciting proxies (see below)
3. We have a business or personal relationship with participants in a proxy contest

### **BNY Mellon Proxy Conflicts Policy; Proxy Conflicts Committee**



Under certain circumstances, BNY Mellon has determined that it may not be appropriate for its subsidiaries and business units with discretionary authority to vote proxies on behalf of clients, including us (each, a “Voting Firm”), and has established a Proxy Voting Conflicts Policy (the “BNYM Policy”) that sets forth the required actions and reporting of Voting Firms when actual or potential conflicts of interest involving BNY Mellon arise. The BNYM Policy identifies several specific types of proxy solicitations that are considered “Primary Conflicts” for all Voting Firms. Primary Conflicts typically arise when proxies are issued by BNY Mellon or by a pooled vehicle when relating to services provided by a BNY Mellon affiliate and may also arise due to relationships between a proxy issuer and BNY Mellon or BNY Mellon’s Chief Executive Officer or Board of Directors. The BNYM Policy directs the manner in which such Primary Conflicts are to be addressed (e.g., application of pre-determined, written guidelines, client consent, or delegation to an independent fiduciary). The BNYM Policy also identifies as “Secondary Conflicts” situations that, while not identified as a Primary Conflict, may present an actual, potential or perceived material conflict for Voting Firms because of a relationship between a proxy issuer and BNY Mellon or its executive officers or Board of Directors.

When Primary Conflicts or Secondary Conflicts occur the voting recommendations of an independent third-party proxy service provider will be applied. In the situation where the independent fiduciary (ISS) is also conflicted, we would abstain from voting. Newton meets with ISS on a periodic basis and as part of this meeting discusses ISS’ conflicts of interests.

We are also subject to the policies and decisions of BNY Mellon’s Proxy Conflicts Committee (the “PCC”). Among other responsibilities, BNY Mellon has empowered the PCC to maintain, interpret and effect the BNYM Policy. If a Voting Firm needs interpretive guidance concerning a Primary Conflict, the PCC shall review the matter, and (in the case of identified conflicts) determine how best to resolve the conflict (e.g., independent fiduciary, abstention, or mirror voting). In addition to the BNYM PCC Newton has decided to implement its own process for reviewing such conflicts (including secondary conflicts), with material conflicts being reported to the Newton Conflicts of Interest Committee.

Newton does not engage in securities lending on behalf of its clients; this activity is at the discretion of individual clients. For certain funds that are managed by BNY Mellon, and where Newton is appointed as investment manager or sub-advisor, the fund boards have entered into securities-lending programmes. In such cases, we may be unable to monitor loaned securities or recall/restrict securities from being loaned, and we will be unable to exercise the voting rights attached to any loaned securities.

Where we plan to vote against management on an issue, we may engage with the company in order to provide an opportunity for our concerns to be allayed. We may also advise management of how we have voted after the meeting should we consider such engagement to be useful in an effort to avoid a repeat situation and ultimately an improvement at the company. We do not communicate our voting intentions ahead of the meeting to third parties.

Newton’s Governance Principles and Voting Guidelines and voting records can be found on our website. Clients may receive quarterly reports upon request, if not already provided on the Firm’s website.



## ITEM 18. FINANCIAL INFORMATION

In certain circumstances, registered investment advisers are required to provide you with financial information or disclosures about their financial condition in this Item. Newton has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has never been the subject of a bankruptcy proceeding.

**Louise Kernohan**

Newton Investment Management Limited  
The Bank of New York Mellon Centre  
160 Queen Victoria Street  
London  
EC4V 4LA  
+44 (0) 20 7163 6465

**Form ADV, Part 2B**  
**(as of March 31<sup>st</sup> 2024)**

**Pursuant to SEC rules and regulations, we prepared for you this brochure supplement because Louise Kernohan performs certain advisory services for you.**

**This brochure supplement provides information about Louise Kernohan that supplements Newton Investment Management Limited's brochure. You should have received a copy of that brochure. Please contact Sam Oxley at + 44 207 163 3327 if you did not receive Newton Investment Management Limited's brochure or if you have any questions about the contents of this supplement.**

**Item 2.**            **Educational Background and Business Experience**

Louise is Head of Global Opportunities and a portfolio manager for a selection of global and regional equity mandates. Louise joined Newton in 2020 from Aberdeen Standard Investments (ASI) where she worked on the UK equities team, managing the ASI UK Equity and ASI UK Responsible Funds as well as co-managing the Dunedin Income Growth Investment Trust. Her role also involved being a research analyst covering the pharmaceutical and industrial sectors.

Prior to her position in UK equities at ASI she was a senior investment manager on the pan-European equity team at Aberdeen Asset Management. Louise has a BSc in Mathematics, Philosophy and Physics from the University of Durham and an MA in Management from University of Durham Business School. Louise is a CFA charter holder.

**Item 3.**            **Disciplinary Information**

There are no items to disclose

**Item 4.**            **Other Business Activities**

There are no items to disclose

**Item 5.**            **Additional Compensation**

There are no items to disclose

**Item 6.**            **Supervision**

Supervisor: John Porter  
Title: Chief Investment Officer, Equity  
Telephone number: +1 617 248 4696

Newton's Chief Investment Officer of Equity, John Porter, has overall responsibility for supervision of the equity portfolio managers.

The overall framework for risk management at Newton may be summarised as the management of risk within the investment process rather than through controls. Risk management at Newton is about considering risk with opportunities at every stage of the investment process. By having layers of risk assessment, from the risks identified by our themes, the fundamental stock risks considered by our analysts, corporate governance risk and valuation risk, we believe our portfolios to be very risk-aware.

At the forefront of risk awareness and risk management are Newton's portfolio managers, who actively manage risk and return on a daily basis and participate in the process by which ideas are generated, shared, evaluated and implemented in portfolios. In addition, there are some key

groups involved in monitoring risk as a “quality control” activity with the objective of protecting the interests of our clients. These groups are the investment risk team (IRT), the investment risk oversight groups, the Equity Investment Risk Oversight Group (EIROG) and the Multi Asset Investment Risk Oversight Group (MAIROG). The IRT and Risk Oversight Groups identify risk inherent in each portfolio with the Risk Oversight Groups meeting on a monthly basis. This helps to ensure that the manager takes only intended and appropriate risks in accordance with each client's objectives or fund's aims. The analysis also ensures that house views are being adequately and appropriately expressed in portfolios.

The IRT supports the Risk Oversight Groups and the chief risk officer by providing information on portfolio construction and risk profiles. The IRT produces comparative and independent analyses of portfolios. The IRT reports to Newton's chief risk officer, James Helby who is independent from the investment team and has no portfolio management responsibilities. The Risk Oversight Groups report to the Investment Oversight Committee (IOC), the membership of which comprises of members of Newton's executive management team, Chief Investment Officer and senior members of the oversight teams. The IOC is chaired by Newton's Chief Executive Officer, Euan Munro

Our portfolio managers are separated by mandate rather than client type, ensuring that individuals manage portfolios with similar mandates. Although each lead manager has clearly defined roles and responsibilities, he or she works within a strong team environment alongside other investment professionals. This ensures that, should the lead manager be absent for any reason, the designated alternate manager will be fully conversant with the portfolio's mandate and be able to act on their behalf.

Our team-based approach and investment process has resulted in a low dispersion of performance returns between portfolios with similar mandates and a high degree of commonality being achieved across the research, model and live portfolios. It is the responsibility of each portfolio manager to be aware of the regulatory and internal rules governing investments.

Blackrock's Aladdin system is used for pre- and post-trade compliance checking. Pre-trade compliance is run against every investment order prior to trading. Post-trade compliance checking is run overnight. Aladdin enables compliance restrictions to be hard coded so that a potential breach of house, regulatory or client guidelines can be flagged before a transaction is even dealt.

All breaches, including those that occur as a result of market movements, are promptly followed up and appropriate action taken. A regular compliance monitoring review of mandate compliance is also undertaken.

**Georgina Cooper**

Newton Investment Management Limited  
The Bank of New York Mellon Centre  
160 Queen Victoria Street  
London  
EC4V 4LA  
+44 (0) 20 7163 6465

**Form ADV, Part 2B**  
**(as of March 31<sup>st</sup> 2024)**

**Pursuant to SEC rules and regulations, we prepared for you this brochure supplement because Georgina Cooper performs certain advisory services for you.**

**This brochure supplement provides information about Georgina that supplements Newton Investment Management Limited's brochure. You should have received a copy of that brochure. Please contact Sam Oxley at + 44 207 163 3327 if you did not receive Newton Investment Management Limited's brochure or if you have any questions about the contents of this supplement.**

**Item 2.**            **Educational Background and Business Experience**

Georgina is a portfolio manager on our Global Opportunities team and manages a selection of global and regional equity mandates. Georgina joined Newton in 2022 as a portfolio manager co-managing the UK Equity and Sustainable UK Opportunities strategies.

Prior to this, she worked at abrdn where she started as a graduate in 2014 and subsequently joined the UK equities team running the ASI UK Equity funds for five years before co-managing the Dunedin Income Growth Investment Trust for the final two years. Her role also involved being a research analyst covering the retail, beverages and construction and building materials sectors. She graduated from the University of Edinburgh with a Bachelor of Science with Honours Mathematics and is also a CFA charterholder.

**Item 3.**            **Disciplinary Information**

There are no items to disclose

**Item 4.**            **Other Business Activities**

There are no items to disclose

**Item 5.**            **Additional Compensation**

There are no items to disclose

**Item 6.**            **Supervision**

Supervisor: Louise Kernohan  
Title: Head of Global Opportunities  
Telephone number: +44 207 163 1060

Newton's Head of Global Opportunities, Louise has overall responsibility for a selection of global and regional equity mandates at Newton.

The overall framework for risk management at Newton may be summarised as the management of risk within the investment process rather than through controls. Risk management at Newton is about considering risk with opportunities at every stage of the investment process. By having layers of risk assessment, from the risks identified by our themes, the fundamental stock risks considered by our analysts, corporate governance risk and valuation risk, we believe our portfolios to be very risk-aware.

At the forefront of risk awareness and risk management are Newton's portfolio managers, who actively manage risk and return on a daily basis and participate in the process by which ideas are generated, shared, evaluated and implemented in portfolios. In addition, there are some key

groups involved in monitoring risk as a “quality control” activity with the objective of protecting the interests of our clients. These groups are the investment risk team (IRT), the investment risk oversight groups, the Equity Investment Risk Oversight Group (EIROG) and the Multi Asset Investment Risk Oversight Group (MAIROG). The IRT and Risk Oversight Groups identify risk inherent in each portfolio with the Risk Oversight Groups meeting on a monthly basis. This helps to ensure that the manager takes only intended and appropriate risks in accordance with each client's objectives or fund's aims. The analysis also ensures that house views are being adequately and appropriately expressed in portfolios.

The IRT supports the Risk Oversight Groups and the chief risk officer by providing information on portfolio construction and risk profiles. The IRT produces comparative and independent analyses of portfolios. The IRT reports to Newton's chief risk officer, James Helby who is independent from the investment team and has no portfolio management responsibilities. The Risk Oversight Groups report to the Investment Oversight Committee (IOC), the membership of which comprises of members of Newton's executive management team, Chief Investment Officer and senior members of the oversight teams. The IOC is chaired by Newton's Chief Executive Officer, Euan Munro

Our portfolio managers are separated by mandate rather than client type, ensuring that individuals manage portfolios with similar mandates. Although each lead manager has clearly defined roles and responsibilities, he or she works within a strong team environment alongside other investment professionals. This ensures that, should the lead manager be absent for any reason, the designated alternate manager will be fully conversant with the portfolio's mandate and be able to act on their behalf.

Our team-based approach and investment process has resulted in a low dispersion of performance returns between portfolios with similar mandates and a high degree of commonality being achieved across the research, model and live portfolios. It is the responsibility of each portfolio manager to be aware of the regulatory and internal rules governing investments.

Blackrock's Aladdin system is used for pre- and post-trade compliance checking. Pre-trade compliance is run against every investment order prior to trading. Post-trade compliance checking is run overnight. Aladdin enables compliance restrictions to be hard coded so that a potential breach of house, regulatory or client guidelines can be flagged before a transaction is even dealt.

All breaches, including those that occur as a result of market movements, are promptly followed up and appropriate action taken. A regular compliance monitoring review of mandate compliance is also undertaken.



**Thomas Wilson**

Newton Investment Management Limited  
The Bank of New York Mellon Centre  
160 Queen Victoria Street  
London  
EC4V 4LA  
+44 (0) 20 7163 6465

**Form ADV, Part 2B**  
(as of March 31<sup>st</sup>, 2024)

**Pursuant to SEC rules and regulations, we prepared for you this brochure supplement because Thomas Wilson performs certain advisory services for you.**

**This brochure supplement provides information about Thomas Wilson that supplements Newton Investment Management Limited's brochure. You should have received a copy of that brochure. Please contact Sam Oxley at + 44 20 7163 3327 if you did not receive Newton Investment Management Limited's brochure or if you have any questions about the contents of this supplement.**

**Item 2. Educational Background and Business Experience**

Thomas Wilson is a portfolio manager on Newton's Global Opportunities team and manages a selection of global and regional equity mandates, including the Global Equity and International Equity strategies.

Tom joined Newton in September 2023 from Insight Investment, where he ran a sleeve of the pan-European centric absolute-return portfolio as well as a UK equity income mandate.

Tom has over 15 years of industry experience, incorporating roles both as an analyst and a portfolio manager, and has experience managing unconstrained and income-focused long-only equity mandates as well as unconstrained long/short absolute-return portfolios.

Prior to joining Insight in 2018, Tom worked at BMO Asset Management (formerly F&C). He initially worked on the ESG-focused stewardship team, before moving to the wider UK equity team and later becoming part of the pan-European equity team. Tom graduated from Southampton University with a BSc in Economics.

**Item 3. Disciplinary Information**

There are no items to disclose

**Item 4. Other Business Activities**

There are no items to disclose

**Item 5. Additional Compensation**

There are no items to disclose

**Item 6. Supervision**

Supervisor: Louise Kernohan  
Title: Head of Global Opportunities  
Telephone number: +44 207 163 1060

Newton's Louise Kernohan has responsibility for supervision of the Global Opportunities investment team.

The overall framework for risk management at Newton may be summarised as the management of risk within the investment process rather than through controls. Risk management at Newton is about considering risk with opportunities at every stage of the investment process. By having layers of risk assessment, from the risks identified by our themes, the fundamental stock risks considered by our analysts, corporate governance risk and valuation risk, we believe our portfolios to be very risk-aware.

At the forefront of risk awareness and risk management are Newton's portfolio managers, who actively manage risk and return on a daily basis and participate in the process by which ideas are generated, shared, evaluated and implemented in portfolios. In addition, there are some key groups involved in monitoring risk as a “quality control” activity with the objective of protecting the interests of our clients. These groups are the investment risk team (IRT), the investment risk oversight groups, the Equity Investment Risk Oversight Group (EIROG) and the Multi Asset Investment Risk Oversight Group (MAIROG). The IRT and Risk Oversight Groups identify risk inherent in each portfolio with the Risk Oversight Groups meeting on a monthly basis. This helps to ensure that the manager takes only intended and appropriate risks in accordance with each client's objectives or fund’s aims. The analysis also ensures that house views are being adequately and appropriately expressed in portfolios.

The IRT supports the Risk Oversight Groups and the chief risk officer by providing information on portfolio construction and risk profiles. The IRT produces comparative and independent analyses of portfolios. The IRT reports to Newton's chief risk officer, James Helby who is independent from the investment team and has no portfolio management responsibilities. The Risk Oversight Groups report to the Investment Oversight Committee (IOC), the membership of which comprises of members of Newton’s executive management team, Chief Investment Officer and senior members of the oversight teams. The IOC is chaired by Newton’s Chief Executive Officer, Euan Munro

Our portfolio managers are separated by mandate rather than client type, ensuring that individuals manage portfolios with similar mandates. Although each lead manager has clearly defined roles and responsibilities, he or she works within a strong team environment alongside other investment professionals. This ensures that, should the lead manager be absent for any reason, the designated alternate manager will be fully conversant with the portfolio’s mandate and be able to act on their behalf.

Our team-based approach and investment process has resulted in a low dispersion of performance returns between portfolios with similar mandates and a high degree of commonality being achieved across the research, model and live portfolios. It is the responsibility of each portfolio manager to be aware of the regulatory and internal rules governing investments.

Blackrock’s Aladdin system is used for pre- and post-trade compliance checking. Pre-trade compliance is run against every investment order prior to trading. Post-trade compliance checking is run overnight. Aladdin enables compliance restrictions to be hard coded so that a potential breach of house, regulatory or client guidelines can be flagged before a transaction is even dealt.

All breaches, including those that occur as a result of market movements, are promptly followed up and appropriate action taken. A regular compliance monitoring review of mandate compliance is also undertaken.



**James Lydotes**  
One Boston Place  
201 Washington Street  
Boston, MA 02018  
(617) 722-7742

Newton Investment Management North America, LLC (“NIMNA”)  
One Boston Place  
201 Washington Street  
Boston, MA 02108  
(617) 248-3000

## **Form ADV, Part 2B**

**Pursuant to SEC rules and regulations, we prepared for you this brochure supplement because James Lydotes performs certain advisory services for you.**

**This brochure supplement provides information about James Lydotes that supplements NIMNA’s brochure. You should have received a copy of that brochure. Please contact NIMNA’s CCO Jaime Utano at (617) 722-3894 or [jaime.utano@newtonim.com](mailto:jaime.utano@newtonim.com) if you did not receive NIMNA’s brochure or if you have any questions about the contents of this supplement.**

**Item 2.**        **Educational Background and Business Experience**

James Lydotes

**Year of Birth:** 1976

**Education:** Syracuse University – B.A.

Chartered Financial Analyst\*

**Business Background:**

Sr. Portfolio Manager of NIMNA since 9/21

Sr. Portfolio Manager of Mellon from 2/18 to 8/21

Managing Director of The Boston Company Asset Management from 10/15 to 1/18

Director of The Boston Company Asset Management from 07/14 to 9/15

\*The Chartered Financial Analyst (CFA) charter is a globally accepted, graduate-level investment credential established in 1962 and awarded by CFA Institute. To earn the charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join the CFA Institute; and 4) commit to abide by, and annually reaffirm, adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct. The CFA Program curriculum covers a wide range of investment topics, including ethical and professional standards, fixed income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning. Please refer to the CFA Institute website at [www.cfainstitute.org](http://www.cfainstitute.org) for additional information.

**Item 3.**        **Disciplinary Information**

There is no disciplinary information to report.

**Item 4.**        **Other Business Activities**

Mr. Lydotes acts as an officer of The Bank of New York Mellon, an affiliated New York chartered bank (the “Bank”).

**Item 5.**        **Additional Compensation**

There is no additional compensation to report.

**Item 6.      Supervision**

Supervisor: John R. Porter, III

Title: Equity CIO

Telephone number: (617) 722-4696

Dedicated CIOs are assigned to oversee each of the investment strategy teams. Portfolios are reviewed on a continuous basis for any changes in positioning relative to benchmark, performance, attribution, dispersion and other characteristics. In addition to the investment review, independent portfolio risk management is conducted by our firm's Investment Risk Team.

NIMNA has a well-developed system of independent checks and balances to ensure compliance with our internal risk controls, regulatory requirements, and any client-mandated guidelines. We have a Risk and Compliance function that is independent from our investment professionals. NIMNA utilizes an automated order management system and compliance platform. Pre trade restrictions are coded on individual securities, countries, sectors, and market capitalization. NIMNA also completes a daily post-trade review to ensure adherence to all restrictions. Additionally, each account is reviewed periodically to ensure all restrictions are properly set up and in accordance with client documents.

**Jonathan Bell**

Newton Investment Management Limited  
The Bank of New York Mellon Centre  
160 Queen Victoria Street  
London  
EC4V 4LA  
+44 (0) 20 7163 3909

**Form ADV, Part 2B**  
**(as of March 31<sup>st</sup>, 2024)**

**Pursuant to SEC rules and regulations, we prepared for you this brochure supplement because Jonathan Bell performs certain advisory services for you.**

**This brochure supplement provides information about Jonathan Bell that supplements Newton Investment Management Limited's brochure. You should have received a copy of that brochure. Please contact Sam Oxley at +44 20 7163 3327 if you did not receive Newton Investment Management Limited's brochure or if you have any questions about the contents of this supplement.**



**Item 2. Educational Background and Business Experience**

Jonathan (Jon) Bell was born in 1972.

Through his tenure at Newton, Jon has led both the Global Equity and Multi-Asset teams and been responsible for a number of multi-asset and global equity portfolios. As well as his extensive investment roles at the firm, he has also spent time as a member of the commercial team involved in discussing client portfolios and tailoring strategies to client requirements. He sits on Newton's investment risk oversight groups. He joined the Newton equity income team in March 2020, where he focuses on both core and sustainable Global Equity Income strategies.

Jon joined Newton in 1995 and has a degree in natural sciences from Cambridge University.

**Item 3. Disciplinary Information**

Jon held a supervisory role in relation to the individual to whom the UK Financial Conduct Authority took an enforcement action in February 2019, which is disclosed in Item 9 of the Firms Form ADV Part 2A. Jon was not the subject of the investigation or enforcement action by the UK Financial Conduct Authority.

**Item 4. Other Business Activities**

There are no items to disclose

**Item 5. Additional Compensation**

There are no items to disclose

**Item 6. Supervision**

Supervisor: Jim Lydotyes  
Title: Deputy Chief Investment Officer, Equities  
Telephone number: +1 61 7722 774 2

Newton's Deputy Chief Investment Officer of Equities, Jim Lydotyes, has responsibility for supervision of the Equity Income portfolio managers.

The overall framework for risk management at Newton may be summarised as the management of risk within the investment process rather than through controls. Risk management at Newton is about considering risk with opportunities at every stage of the investment process. By having layers of risk assessment, from the risks identified by our themes, the fundamental stock risks considered by our analysts, corporate governance risk and valuation risk, we believe our portfolios to be very risk-aware.

At the forefront of risk awareness and risk management are Newton's portfolio managers, who actively manage risk and return on a daily basis and participate in the process by which ideas are generated, shared, evaluated and implemented in portfolios. In addition, there are some key groups involved in monitoring risk as a “quality control” activity with the objective of protecting the interests of our clients. These groups are the investment risk team (IRT), the investment risk oversight groups, the Equity Investment Risk Oversight Group (EIROG) and the Multi Asset Investment Risk Oversight Group (MAIROG). The IRT and Risk Oversight Groups identify risk inherent in each portfolio with the Risk Oversight Groups meeting on a monthly basis. This helps to ensure that the manager takes only intended and appropriate risks in accordance with each client's objectives or fund's aims. The analysis also ensures that house views are being adequately and appropriately expressed in portfolios.

The IRT supports the Risk Oversight Groups and the chief risk officer by providing information on portfolio construction and risk profiles. The IRT produces comparative and independent analyses of portfolios. The IRT reports to Newton's chief risk officer, James Helby who is independent from the investment team and has no portfolio management responsibilities. The Risk Oversight Groups report to the Investment Oversight Committee (IOC), the membership of which comprises of members of Newton's executive management team, Chief Investment Officer and senior members of the oversight teams. The IOC is chaired by Newton's Chief Executive Officer, Euan Munro

Our portfolio managers are separated by mandate rather than client type, ensuring that individuals manage portfolios with similar mandates. Although each lead manager has clearly defined roles and responsibilities, he or she works within a strong team environment alongside other investment professionals. This ensures that, should the lead manager be absent for any reason, the designated alternate manager will be fully conversant with the portfolio's mandate and be able to act on their behalf.

Our team-based approach and investment process has resulted in a low dispersion of performance returns between portfolios with similar mandates and a high degree of commonality being achieved across the research, model and live portfolios. It is the responsibility of each portfolio manager to be aware of the regulatory and internal rules governing investments.

Blackrock's Aladdin system is used for pre- and post-trade compliance checking. Pre-trade compliance is run against every investment order prior to trading. Post-trade compliance checking is run overnight. Aladdin enables compliance restrictions to be hard coded so that a potential breach of house, regulatory or client guidelines can be flagged before a transaction is even dealt.

**Robert Hay**

Newton Investment Management Limited  
The Bank of New York Mellon Centre  
160 Queen Victoria Street  
London  
EC4V 4LA  
+44 (0) 20 7163 2268

**Form ADV, Part 2B**  
(as of March 31<sup>st</sup>, 2024)

**Pursuant to SEC rules and regulations, we prepared for you this brochure supplement because Robert Hay performs certain advisory services for you.**

**This brochure supplement provides information about Robert Hay that supplements Newton Investment Management Limited's brochure. You should have received a copy of that brochure. Please contact Sam Oxley at +44 20 7163 3327 if you did not receive Newton Investment Management Limited's brochure or if you have any questions about the contents of this supplement.**

**Item 2. Educational Background and Business Experience**

Robert Hay was born in 1976. He has a MA in French and Business Studies from Edinburgh University and also a Masters in European Business from the EAP European School of Management in Paris. Robert joined Newton in 2000 initially as a private client portfolio manager. Robert is a member of the Global Equity Income Strategies team.

Robert Hay is a CFA<sup>1</sup> charterholder.

<sup>1</sup> CFA® and Chartered Financial Analyst® are registered trademarks owned by CFA Institute.

The CFA charter is a globally accepted, graduate level investment credential established in 1962 and awarded by CFA Institute. To earn the charter, candidates must: 1) pass three sequential, six hour examinations; 2) have at least four years of qualified professional investment experience; 3) join the CFA Institute; and 4) commit to abide by, and annually reaffirm, adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct. The CFA Program curriculum covers a wide range of investment topics, including ethical and professional standards, fixed income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning.

**Item 3. Disciplinary Information**

There are no items to disclose

**Item 4. Other Business Activities**

There are no items to disclose

**Item 5. Additional Compensation**

There are no items to disclose

**Item 6. Supervision**

Supervisor: Jim Lydotes  
Title: Deputy Chief Investment Officer, Equities  
Telephone number: +1 61 7722 7742

Newton's Deputy Chief Investment Officer of Equities, Jim Lydotes, has responsibility for supervision of the Equity Income portfolio managers.

The overall framework for risk management at Newton may be summarised as the management of risk within the investment process rather than through controls. Risk management at Newton is about considering risk with opportunities at every stage of the investment process. By having layers of risk assessment, from the risks identified by our themes, the fundamental stock risks

considered by our analysts, corporate governance risk and valuation risk, we believe our portfolios to be very risk-aware.

At the forefront of risk awareness and risk management are Newton's portfolio managers, who actively manage risk and return on a daily basis and participate in the process by which ideas are generated, shared, evaluated and implemented in portfolios. In addition, there are some key groups involved in monitoring risk as a "quality control" activity with the objective of protecting the interests of our clients. These groups are the investment risk team (IRT), the investment risk oversight groups, the Equity Investment Risk Oversight Group (EIROG) and the Multi Asset Investment Risk Oversight Group (MAIROG). The IRT and Risk Oversight Groups identify risk inherent in each portfolio with the Risk Oversight Groups meeting on a monthly basis. This helps to ensure that the manager takes only intended and appropriate risks in accordance with each client's objectives or fund's aims. The analysis also ensures that house views are being adequately and appropriately expressed in portfolios.

The IRT supports the Risk Oversight Groups and the chief risk officer by providing information on portfolio construction and risk profiles. The IRT produces comparative and independent analyses of portfolios. The IRT reports to Newton's chief risk officer, James Helby who is independent from the investment team and has no portfolio management responsibilities. The Risk Oversight Groups report to the Investment Oversight Committee (IOC), the membership of which comprises of members of Newton's executive management team, Chief Investment Officer and senior members of the oversight teams. The IOC is chaired by Newton's Chief Executive Officer, Euan Munro

Our portfolio managers are separated by mandate rather than client type, ensuring that individuals manage portfolios with similar mandates. Although each lead manager has clearly defined roles and responsibilities, he or she works within a strong team environment alongside other investment professionals. This ensures that, should the lead manager be absent for any reason, the designated alternate manager will be fully conversant with the portfolio's mandate and be able to act on their behalf.

Our team-based approach and investment process has resulted in a low dispersion of performance returns between portfolios with similar mandates and a high degree of commonality being achieved across the research, model and live portfolios. It is the responsibility of each portfolio manager to be aware of the regulatory and internal rules governing investments.

Blackrock's Aladdin system is used for pre- and post-trade compliance checking. Pre-trade compliance is run against every investment order prior to trading. Post-trade compliance checking is run overnight. Aladdin enables compliance restrictions to be hard coded so that a potential breach of house, regulatory or client guidelines can be flagged before a transaction is even dealt.

All breaches, including those that occur as a result of market movements, are promptly followed up and appropriate action taken. A regular compliance monitoring review of mandate compliance is also undertaken.





Part of  BNY MELLON

# **NEWTON INVESTMENT MANAGEMENT NORTH AMERICA, LLC**

## **FORM ADV PART 2A BROCHURE**

(as of March 29, 2024)

One Boston Place  
201 Washington Place  
Boston, MA 02108

**This brochure (“Brochure”) provides information about the qualifications and business practices of Newton Investment Management North America, LLC (the “Firm”, “we”, “us” or “NIMNA”). If you have any questions about the contents of this Brochure, please contact us at (617) 248-3000. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.**

**The Firm is registered as an investment adviser with the SEC. Registration with the SEC does not imply that the investment adviser has any particular level of skill or training.**

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



## **ITEM 2. SUMMARY OF MATERIAL CHANGES**

NIMNA's last update of its Brochure was on March 31, 2023. There have been no material changes to the Brochure since the last annual update.



## **ITEM 3. TABLE OF CONTENTS**

ITEM 1. COVER PAGE .....	1
ITEM 2. SUMMARY OF MATERIAL CHANGES.....	2
ITEM 3. TABLE OF CONTENTS.....	3
ITEM 4. ADVISORY BUSINESS .....	4
ITEM 5. FEES AND COMPENSATION.....	8
ITEM 6: PERFORMANCE FEES AND SIDE-BY-SIDE MANAGEMENT.....	13
ITEM 7: TYPES OF CLIENTS.....	19
ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS .....	20
ITEM 9: DISCIPLINARY INFORMATION.....	46
ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS .....	47
ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS, PERSONAL TRADING.....	55
ITEM 12: BROKERAGE PRACTICES.....	60
ITEM 13: REVIEW OF ACCOUNTS.....	68
ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION .....	69
ITEM 15: CUSTODY .....	71
ITEM 16: INVESTMENT DISCRETION .....	73
ITEM 17: VOTING CLIENT SECURITIES.....	74
ITEM 18: FINANCIAL INFORMATION.....	77



## ITEM 4. ADVISORY BUSINESS

### Background

Newton Investment Management North America, LLC (the “Firm”, “we”, “us” or “NIMNA”) is a limited liability company organized under the laws of the State of Delaware. We are an indirect subsidiary of The Bank of New York Mellon Corporation (“BNY Mellon” or the “Bank”). The Firm was established in 2021, comprised of equity and multi-asset teams from an affiliate, Mellon Investments Corporation. Mellon was established in 1933 with roots tracing back to the late 1800s.

The Firm is part of the group of affiliated global companies that individually or collectively provide investment advisory services under the Newton or Newton Investment Management brand (collectively “Newton” or “Newton Group”).

In addition to NIMNA, Newton currently includes:

- Newton Investment Management Limited (“NIM”), and
- Newton Investment Management Japan Limited (“NIMJ”)

NIM is authorized and regulated in the United Kingdom by the Financial Conduct Authority (“FCA”) and is registered as an investment adviser with the SEC. NIM was incorporated on June 6, 1978 with Reed Stenhouse, a Scottish insurance broker. NIM became a subsidiary of BNY Mellon on July 23, 1998. NIMJ was established in March 2023 and includes the Japanese equity management division of an affiliate, BNY Mellon Investment Management Japan Limited. Unless otherwise stated, the information within this Form ADV is limited to Newton Investment Management North America, LLC.

### Advisory Business

The Firm is an investment adviser registered with the SEC pursuant to the Investment Advisers Act of 1940, as amended (“Advisers Act”). The Firm provides investment advisory services to U.S and non-U.S. clients. We provide these services on a discretionary or non-discretionary basis to institutional investors in the form of separate accounts, pooled investment vehicles including but not limited to registered mutual funds, collective investment funds, UCITs and private funds.

The Firm operates through two separate investment product lines, comprising the “Equity Product Line” and the “Multi-Asset Product Line”, the “Product Lines”, respectively. The Product Lines operate semi-autonomously under the umbrella of the Firm, subject to the global policies and procedures of the Firm and BNY Mellon, as applicable.

Clients typically obtain our investment advisory services pursuant to (i) a written agreement such as an investment management or sub-advisory agreement directly with NIMNA or through BNY Mellon (when our employees are acting as dual officers of the Bank) or (ii) a trust agreement or participation agreement with the Bank (when our employees manage assets of collective investment funds of the Bank as a sub-advisor hired by the Bank). Investors also access our investment advisory services by investing in pooled vehicles which are sponsored or



established by the Firm, our affiliates or unaffiliated third parties. See Item 10 “Dual Officers and Employees” for more information about our dual officer arrangements.

Please refer to Item 8 of this Brochure for a description of the strategies provided by each Product Line, in which we invest client assets.

## **Investment Guidelines**

The Firm offers a variety of carefully developed investment strategies (“Strategies” and each, a “Strategy”). We generally manage all client accounts in accordance with a model portfolio that is based upon a selected Strategy. We work with clients to create investment guidelines that are mutually acceptable to the client and the Firm. When creating investment guidelines, clients may impose investment restrictions in certain individual securities or types of securities. Clients who impose investment restrictions might limit our ability to employ on behalf of a particular strategy resulting in investment performance that differs from the intended strategy and from other accounts that have not imposed such restrictions.

The Firm also offers investment advisory services in the form of pooled investment vehicles or “Funds.” Each pooled investment vehicle has an investment objective and a set of investment policies and/or guidelines that we must follow. For these reasons, we cannot tailor the investment guidelines of a Fund to meet individual investor needs. In addition, we cannot impose individual investment restrictions on our investment strategies for underlying investors in the pooled investment vehicles.

We also provide management services on a non-discretionary basis where we make recommendations to the client, but all investment decisions are made by the client and may or may not be implemented by us.

## **Wrap Fee Programs and Model Delivery**

A client in a wrap fee program (“wrap fee program”) typically receives investment management of account assets through one or more investment advisers participating in the wrap fee program and also receives trade execution, custodial, performance monitoring and reporting services (or some combination of these or other services) for a single, all-inclusive (or “wrap”) fee charged by the program sponsor based on the value of the client’s account assets. The program sponsor typically assists the client in defining the client’s investment objectives based on information provided by the client, aids in the selection of one or more investment managers to manage the client’s account and periodically contacts the client to ascertain whether there have been any changes in the client’s financial circumstances or objectives that warrant a change in the arrangement or the manner in which the client’s assets are managed.

Under these wrap fee program arrangements, our affiliate, enters into an agreement with the program sponsor/manager. The program sponsor/manager then delegates responsibility for investment recommendations to us. The primary manager under the program retains ultimate decision-making responsibility for determining which securities are to be purchased or sold for client accounts and for implementation of such decisions pursuant to the agreement entered into with the program sponsor/manager. In such cases, our recommendations are implemented subject only to differences resulting from individual investment guidelines or restrictions, tax harvesting or other needs of the particular program client. NIMNA does not act as a program sponsor, nor do we conduct physical trading for any of these programs. We receive a portion of the allocated wrap fee for the services provided.

When we provide investment recommendations in connection with a wrap fee program, we do not negotiate on the client's behalf brokerage commissions or other costs for the execution of transactions in the client's account. Instead, in most instances transactions are executed through the program sponsor or through the program sponsor's designated affiliate given that execution costs for agency transactions typically are included in the all-inclusive fee charged by the program sponsor. Most program agreements, however, provide that other broker-dealers can be selected to execute trades if deemed appropriate to achieve best execution. If a broker-dealer other than the program sponsor or the program sponsor's designated affiliate is selected to affect a trade for a client's account, any execution costs charged by that other broker-dealer typically are charged separately to the client's account. Accordingly, clients who elect to participate in wrap fee programs should satisfy themselves that the program sponsor is able to provide best execution for transactions.

In evaluating a wrap fee program, clients should consider a number of factors. A client may be able to obtain some or all of the services available through a particular program on an "unbundled" basis through the program sponsor or through other firms and, depending on the circumstances, the aggregate of any separately paid fees may be lower (or higher) than the single, all-inclusive fee charged in the program. Payment of an asset-based fee can potentially produce accounting, bookkeeping or income tax results that differ from those resulting from the separate payment of (i) securities commissions and other execution costs on a trade-by-trade basis and (ii) advisory fees. Any securities or other assets used to establish a program account can be sold, and the client will be responsible for payment of any taxes due. The Firm recommends that each client consult with his or her tax adviser or accountant regarding the tax treatment of wrap fee program accounts.

Clients participating in wrap fee programs typically receive a disclosure brochure from the program sponsor detailing the wrap fee program prior to their selection of us as adviser or sub-adviser, which includes a description of the services provided by the Sponsor and the applicable fee schedule. The fees and features of each wrap fee program vary and, therefore, clients in wrap fee programs should consult the program sponsor's brochure for the fees and features applicable to their account. We do not act as a program sponsor of any wrap fee programs. Program sponsors, however, obtain brokerage, clearing and other wrap program services from our affiliates.

Our relationships with Sponsors have the potential to create certain conflicts of interest for the Sponsors and for us. We provide investment advisory services to certain affiliated Sponsors, including BNY Mellon Securities Corporation ("BNYMSC"). If the Sponsor is affiliated with us, the Sponsor may have an incentive to give us access to the account and to direct clients to us, based on the affiliation rather than based on our expertise or performance or the client's needs. Similarly, in hopes of gaining clients through a Wrap Fee Program, we may have an incentive to execute brokerage transactions through the Sponsor (whether affiliated or unaffiliated), who in turn may recommend us to Wrap Fee Program participants. Where NIMNA deals with an affiliate, it must ensure that the client is not materially disadvantaged. To manage this conflict, Newton has a number of policies and procedures in place to perform actions, controls and checks to manage and reduce the risk of the conflict occurring.

## **Assets Under Management**

As of December 31, 2023, the Firm had total assets under management of \$47,862,573,370. This figure is comprised of:

\$47,527,720,208 managed on a discretionary basis;

\$334,853,162 managed on a non-discretionary basis



As of December 31<sup>st</sup>, 2023, NIMNA also provided \$8,229,016,323 of assets under advisement for a model of securities which the Firm does not arrange and as to which we do not affect the purchase or sale of securities.

### **Class Actions: Litigation**

It is our policy that we do not advise, initiate or take any other action on behalf of clients relating to securities held in the client's account managed by us in any legal proceeding (including, without limitation, class actions, class action settlements and bankruptcies). The Firm does not file proofs of claims relating to securities held in the client's account and does not notify the client or the client's custodian of class action settlements or bankruptcies relating in any way to such account. Typically, custodians submit filings in connection with class action settlements and handle bankruptcy filings. Each client should consult with its custodian and other service providers to ensure such coverage.

### **Privacy Policy**

NIMNA does not have individual clients that meet the definition of consumer and only provides advisory services to institutional investors at this time. In the event that NIMNA were to enter into advisory agreements with a natural person the Firm's privacy policy would be amended to address the specific requirements and regulations that the Firm would be subject to with respect to consumers and customers. We maintain physical, electronic and procedural safeguards that comply with all applicable federal and state regulations to safeguard non-public information. We are careful to limit access to nonpublic information. Our employees have access to client information based on their responsibilities. This access enables them to assist in completing transactions and resolving any client service issues that may arise. We may collect nonpublic personal information about our clients from account opening documentation and transactions with us. We do not share information subject to the privacy policy with anyone, except as authorized by the client or permitted by law.

## ITEM 5. FEES AND COMPENSATION

### Separate Accounts

We provide investment advisory separate account services for a fee. This fee is typically charged as a percentage of assets under our management. Although this fee is typically expressed as an annual percentage, it is calculated based on the market value of the account at month end, quarter end or based on an average and generally invoiced on a monthly or quarterly basis in arrears. The Firm adjusts management fees for significant cash flows during the billing period on a pro-rata basis.

NIMNA enters into performance-based fee arrangements from time to time in accordance with the conditions and requirements of Section 205-3 of the Advisers Act. Such arrangements are negotiated with each client and, thus, the terms may vary. However, these arrangements typically provide for a fee based on the market value of the account (at a specified month end, quarter end or based on an average and invoiced on a monthly or quarterly basis in arrears), plus a performance fee based on the portfolio's return for the relevant billing period. Some accounts have a benchmark and/or a hurdle rate and others are absolute return strategies.

A client's investment advisory agreement, in most instances, provides that the client will incur fees and expenses, in addition to our advisory fees, such as custody, brokerage and other transaction costs, administrative and other expenses. Examples of other costs and expenses include markups, mark-downs and other amounts included in the price of a security, odd-lot differentials, transfer taxes, wire transfer fees and electronic fund fees. Clients are encouraged to carefully review their investment advisory agreement with us for further information on how we charge and collect fees. Please see Item 12 of this Brochure for more information on our brokerage practices.

### Pooled Investment Vehicles

#### Collective Investment Funds

If consistent with a client's investment objective and subject to direction from the client, the Firm invests client assets in the Bank's collective investment funds. Such accounts will indirectly bear the fees and expenses imposed by the Bank collective investment funds as an investor in such funds and, as a result, will bear higher expenses than if the account had invested directly in the securities held by the collective investment fund.

In addition, for certain index- and model-driven collective investment funds, transaction costs associated with client-specific contributions to and/or withdrawals from the collective investment fund may be borne solely by the client and will reduce such client's returns. Certain collective investment funds engage in securities lending. Fees, including securities lending revenue arrangements, generally are negotiable with each investor. This means that some clients pay fees that differ from the fees paid by other clients.

#### Private Funds

The Firm manages privately offered pooled investment vehicles ("Private Funds"). The Private Funds generally charge a management fee that is calculated based on average monthly net assets and is paid to the investment manager quarterly in arrears or upon redemption. Each Private Fund may have multiple share classes with different management and performance fees. Performance fees generally are calculated on the appreciation of



the net asset value of the Private Fund and are paid to the investment manager annually or upon redemption. Please see Item 6 of this Brochure for more information on our performance fee arrangements and Item 12 of this Brochure for more information on brokerage expenses.

Private Funds are also subject to additional charges such as custody, brokerage and other transaction costs, administrative costs and other expenses (including, without limitation, organizational, directors, legal and audit fees). Management and performance fees are not generally negotiable, though they may be waived, reduced or calculated differently at the discretion of the general partner of such fund in accordance with the Private Fund's offering materials. Such waivers, reductions or changes to calculation methodology will cause some clients or groups of clients to pay fees that are different from the fee schedules disclosed in the Private Fund's offering materials. Please see the applicable Private Fund's offering materials for further information regarding fees and other share classes.

### **Sub-Advisory Fees**

The Firm also serves as adviser or sub-adviser to investment companies, managed accounts, pooled investment vehicles or other entities that are unaffiliated with the Firm. We also act as a sub-adviser to certain BNY Mellon Investment Adviser, Inc. funds or other affiliates' funds. For these investment advisory and/or sub-advisory services, the Firm receives compensation based upon a percentage of assets under management and/or a performance-based fee.

### **Minimum Fees**

The Firm may charge a minimum annual fee for our investment advisory services. Additionally, in some cases, separate accounts are subject to minimum account sizes and vary depending upon the strategy. We reserve the right to waive any minimum account size or minimum fee requirements. Minimum annual fees may be negotiated with clients and, therefore, may vary. Additionally, investments in Private Funds are generally subject to minimum investment requirements disclosed in the respective private fund's offering documents. Please consult these documents for further information regarding fees in connection the Firm's Private Funds.

### **Terminations**

Agreements relating to the provision of services provided by the Firm generally are terminable at any time by either the client or the Firm subject to a mutually acceptable period of notice, which is usually approximately 30 days. For a withdrawal or termination, the Firm considers the actual date of withdrawal of funds to be a fee-earning day. The Firm does not consider the date of receipt of Funds to be a fee-earning day except in the case of an initial funding on a new account. Market values are sourced from the Firm's internal accounting systems unless specifically directed otherwise by the client. Investments in Private Funds and collective investment funds that we manage are also subject to minimum investment and/or redemption requirements. Please refer to your investment management agreement, the collective investment fund's Schedule A or the offering documents of the Private Fund, as applicable, for more information.

### **Fee Schedule**

The fees charged by the Firm are provided below. These fees as described below reflect the highest tier of fees per annum on the standard fee schedule and are not charged on the basis of a share of capital gains upon or capital appreciation of the assets, or any portion of, the assets of the client. Accounts are generally billed quarterly



in arrears; however, some separate account clients may pay fees quarterly in advance, based upon their form of contract. The fees associated with the investment strategies discussed in Item 8 of this Brochure are reflected below.

Equity Product Line

<b>Investment Strategy</b>	<b>Fee Range per Annum</b>
Global Equity	0.35 – 1.00%
Global Research	0.35 – 0.80%
Large Cap Value	0.25 – 0.55%
Small Cap Growth	0.60 – 1.00%
Small Cap Value	0.90 – 1.00%
Opportunistic Equity	0.60 – 1.00%
Multi-Factor Equity	0.15 – 0.80%
Thematic Equity	0.35 – 0.80%

Multi-Asset Product Line

<b>Investment Strategy</b>	<b>Fee Range per Annum</b>
Global Asset Allocation / Macro	0.35 – 0.80%
Domestic Asset Allocation	0.25 - 0.40%
Alternative Investments – Commodities	0.50% base fee plus 10% of alpha
Active Commodity	0.40%
Risk Parity (10% Volatility Level) *	0.20 – 0.30%
Dynamic Factor Premia	0.50 – 0.75%

*\* Fees for the Risk Parity Strategy vary based upon the active risk target. The active risk target for the fees shown is 10%.*

The Firm reserves the right, in our sole discretion, to negotiate or modify (either up or down) the basic fee schedules set forth above for any client due to a variety of factors, including but not limited to the level of reporting and administrative operations required to service an account, the investment strategy or style, the number of portfolios or accounts involved, and/or the number and types of services provided to the client. Because our fees are negotiable, the actual fee paid by any client or group of clients may be different from the fees reflected in our basic fee schedules set forth above. For this same reason, the Firm may agree to offer certain clients a fee schedule that is lower than that of comparable clients in the same investment strategy. Additionally, the Firm 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. The Firm may also choose to waive all or a portion of the negotiated fee for a given period.

Clients generally will incur fees and expenses in addition to our advisory fees including, but not limited to, custodian, brokerage and other transaction costs. Examples of other costs and expenses charged by custodians and/or brokers may include odd-lot differentials, transfer taxes, wire transfer fees and electronic fund fees.



If allowed by investment guidelines, the Firm may invest a client's account in pooled investment vehicles, including mutual funds (and including those advised or sub-advised by the Firm or an affiliate) that themselves charge advisory fees and operational expenses such as transfer agent, custody, audit, tax, brokerage and other transaction costs, administrative and other expenses. Such accounts will indirectly bear these fees and expenses as investors in such pooled investment vehicles and, as a result, will bear higher expenses than if they invested directly in the securities held by the pooled investment vehicle. Please review your investment advisory agreement for further information on how we charge and collect fees. A complete explanation of expenses charged by mutual funds is contained in each mutual fund's prospectus. Please see Item 12 of this Brochure for more information on our brokerage practices.

For portfolios subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), the value of any client account holdings invested in affiliated mutual funds is excluded from the amount on which our separate account fees are computed. In cases where a client account is not subject to ERISA, and/or where client account holdings are invested in an affiliated vehicle not constituting a mutual fund, we may, subject to client contractual requirements and applicable law, calculate our separate account fee on the aggregate amount of the client's account. In certain instances where we have agreed to charge a flat fee for all assets under management, an adjustment may be made to the fee to take into account the holdings in affiliated mutual funds.

The Firm does not require clients to pay in advance; rather, clients are billed in arrears for fees incurred. In the event a client has paid fees in advance and terminates prior to the end of the billing period, we will refund the client the portion of the fee paid attributable to the period, from the date of termination to the end of such billing period. Our clients may select whether they would like the fees to be deducted automatically by their custodian from their custodial accounts or billed separately.

From time to time, the Firm enters into performance-based fee arrangements in accordance with the conditions and requirements of Rule 205-3 under the Advisers Act and, when applicable, certain state laws. While such arrangements are negotiated with each client and thus the terms vary, they typically provide for a base fee based on market value of the account at specified month/quarter ends plus a performance fee based on the portfolio return (generally a rolling one or three-year period) for the relevant billing period relative to a designated market or customized index return.

In cases where we act only as consultant, the client retains full discretionary authority over all investments. There are no standard advisory fees for such consulting arrangements, and our fees for individual discretionary advisory accounts are negotiated on a case-by-case basis, taking into consideration factors such as account size and structure, cash flow and other account-specific characteristics.

### **Sales Commissions**

We do not charge or receive compensation in connection with the sale of securities, private funds, mutual funds or other investment products. However, employees of our affiliates accept compensation (also referred to as "commissions") for the sale of securities, private funds, mutual funds or other investment products. For example, certain of our affiliate's employees are registered representatives of BNYMSC and receive commissions for selling certain products. Accepting commissions for the sale of securities, private funds, mutual funds or other investment products gives rise to a conflict of interest because it affords our employees or employees of our affiliates an incentive to recommend investment products based on the compensation they will receive, rather than solely on a client's needs. For all investment products, we assess the suitability of a product for each client prior to the sale.



Clients may be able to purchase these securities or investment products from a broker that is not affiliated with the Firm. Please see Item 6 below for a discussion of these conflicts of interest.

## **ITEM 6: PERFORMANCE FEES AND SIDE-BY-SIDE MANAGEMENT**

### **Performance Fees**

We enter into performance-based fee arrangements for certain client accounts and pooled investment vehicles. These arrangements generally provide for an asset-based management fee, based on the market value of the account (at month end, quarter end or based on average market value), together with a performance fee based on the portfolio's gross or net return in excess of a specified benchmark and/or hurdle rate during a designated period of time. The performance-based fee is typically (but not always) based on both realized and unrealized gains and losses. Some performance-based fee calculations include a high water mark, which keeps track of the highest level of performance on which a performance fee has been paid and which must be exceeded in order for an additional performance fee to be assessed.

In most instances our fees are based on valuations provided by clients' custodians or pooled investment vehicles' administrators. Generally, we do not price securities or other assets for purposes of determining fees. From time to time, however, and only to the extent permitted by applicable law (including ERISA), we or one of our affiliates are called upon either to value, or to participate in the valuation process concerning, securities held in client accounts or pooled investment vehicles that we advise, generally only to the extent that market price for the security is not readily available, or where we or our affiliate have reason to believe that the market price is unreliable. A conflict of interest can arise in situations where we are involved in the determination of the valuation of an investment because we can benefit by receiving a fee based on the impact, if any, of the increased value of assets in the account. In such circumstances, we require, to the extent possible, pricing from an independent third-party pricing vendor. If vendor pricing is unavailable, we then look to other observable inputs for the valuations including broker-dealers, index providers, and, if applicable, fair value pricing committees of affiliated mutual fund entities. In the event that a vendor price or other observable inputs are unavailable or deemed unreliable, we have established a Pricing and Valuation Oversight Group to make a reasonable determination of a security's fair value. For more detailed information on how performance fees are calculated, please see the applicable private placement memorandum or your investment management agreement.

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

"Side-by-side management" refers to the Firm's simultaneous management of multiple types of client accounts/investment products. For example, we manage numerous accounts at the same time including separate accounts and pooled investment vehicles. These clients have a variety of investment objectives, policies, strategies, limitations and restrictions. Our affiliates likewise manage a variety of separate accounts, managed accounts, and pooled investment vehicles.

Side-by-side management gives rise to a variety of potential and actual conflicts of interest relating to areas such as the allocation of investment opportunities and the aggregation and allocation of trades. Moreover, while the portfolio managers generally only manage accounts with similar investment strategies, it is possible, due to varying investment restrictions among accounts, or for other reasons, that certain investments could be made for some accounts and not others, and that conflicting investment positions could be taken among accounts. For example, a long/short position in two client accounts simultaneously can result in a loss to one client based on a decision to take a gain in the other. Taking concurrent conflicting positions in certain derivative instruments can likewise cause a loss to one client and a gain to another. We also may face conflicts of interest when we have uncovered

option strategies and significant positions in illiquid securities in side-by-side accounts. However, with very few exceptions, the Firm's portfolio management team is generally not permitted to take long and short positions in the same security across clients' accounts that they manage. Below we discuss the conflicts that we and our employees and supervised persons face when engaging in side-by-side management and the steps we take to mitigate them. Note that certain of our employees are also officers or employees of one or more of our affiliates ("dual officers"). Please see Item 10 for more information on our dual officer arrangements. When we and our affiliates concurrently manage client accounts/ investment products, and particularly where dual officers are involved, this presents the same conflicts described below.

## **Conflicts of Interest Relating to Side-By-Side Management**

The conflicts of interest associated with side-by-side management can be particularly acute when we manage accounts that are charged a performance-based fee and other accounts that are charged a different type of fee, such as a flat asset-based fee. We have a financial incentive to favor accounts with performance-based fees because we (and our employees and supervised persons) have an opportunity to earn greater fees on such accounts as compared to client accounts without performance-based fees. Thus, we have an incentive to direct our best investment ideas to client accounts that pay performance-based fees, and to allocate, aggregate or sequence trades in favor of such accounts. We also have an incentive to give accounts with performance-based fees better execution and better brokerage commissions. Please see Item 12 of this Brochure for more information on our brokerage practices, including aggregation and trade allocation policies and procedures designed to mitigate these conflicts.

Additionally, the Firm's clients typically give us discretion to allocate client assets to, and/or redeem client assets from, certain pooled investment vehicles we manage or sub-advise. When a client grants us that discretion a conflict could arise with respect to such client and the other investors in such pooled investment vehicle. We may, for example, have an incentive to maintain a larger percentage of a client's assets in a fund in order for such assets to act as seed capital, to increase the fund's assets under management and, thus, to make investment by other investors more attractive, or to maintain the continuity of a performance record if the client is the sole remaining investor. Likewise, as the manager or sub-adviser, we will have information that investors will not have about the investments held by a fund and about other investors' intentions to invest or redeem. Such information could potentially be used to favor one investor over another.

The Firm addresses the conflicts associated with side-by-side management by managing our accounts consistent with applicable laws and following procedures that are reasonably designed to treat our clients fairly and to prevent any client or group of clients from being systematically favored or disadvantaged, including but not limited to policies relating to trading operations, best execution, trade order aggregation and allocation, short sales, cross-trading, code of conduct and personal securities trading.

## **Conflicts of Interest Relating to Dual Officer Arrangements**

As noted above, certain employees of our affiliates have been appointed as dual officers of the Firm for the limited purpose of providing certain investment management and trading services. This arrangement creates potential conflicts of interest for the Firm. Side-by-side management could potentially cause dual officers to favor its own clients over those of the Firm. In addition, confidential information may potentially be shared across the affiliated investment managers.

We have implemented policies and procedures to address these potential conflicts. Please see Item 12 of this Brochure for an explanation of our trade allocation policies and procedures.

## **Conflicts of Interest Relating to Accounts with Different Strategies**

We and our affiliates manage numerous accounts with a variety of strategies, which presents conflicts of interest relating to the allocation of investment opportunities and the aggregation and allocation of trades. We are a long-only manager and, generally, do not utilize short selling in order to realize profits. The distribution of investment ideas from research analysts is separate from the duties of portfolio management. We have implemented appropriate controls for the dissemination of new research recommendations to ensure fair opportunity to participate in investment ideas. We have in place order allocation and aggregation policies, which are implemented by the trading team which has duties that are segregated from the investment management team.

## **Conflicts of Interest Relating to the Management of Multiple Client Accounts**

We, and our affiliates, perform investment advisory services for various clients. We give advice and take actions in the performance of our duties with respect to certain of our clients which can differ from the advice given, or the timing or nature of action taken, with respect to another client or by our affiliates on behalf of their clients. We have no obligation to purchase or sell for a client any security or other property which we purchase or sell for our own account or for the account of any other client if we believe it is undesirable or impractical to take such action.

## **Conflicts of Interest Relating to Proprietary Accounts**

We, our affiliates, and current employees will from time to time invest in products managed by the Firm and our related persons from time to time will establish “seeded” funds or accounts for the purpose of developing new investment strategies and products (collectively, “proprietary accounts”). Investments by the Firm, our affiliates or our employees in any such proprietary accounts creates conflicts of interest because they create an incentive to favor these proprietary accounts by, for example, directing our best investment ideas to these accounts or allocating, aggregating or sequencing trades in favor of such accounts, to the disadvantage of other accounts. We also have an incentive to dedicate more time and attention to our proprietary accounts and to give them better execution and brokerage commissions than our other client accounts. From time to time, we waive fees for proprietary accounts or for certain affiliated persons who invest in such proprietary accounts. Please see Item 11 of this Brochure for a description of the Firm’s Code of Ethics and Item 12 of this Brochure for more information on our brokerage practices and trade allocation policies and procedures.

## **Conflicts of Interest Relating to Investment in Affiliated Accounts**

From time to time and to the extent permissible under applicable law, we invest some or all of our temporary investments of client accounts in mutual funds (including money market funds) or similar accounts advised or managed by affiliates of the Firm. In addition, and where we are permitted under the applicable Investment Management Agreement, we can invest client accounts in affiliated pooled vehicles. We are presented with a conflict of interest when we allocate investments to these affiliated vehicles because such allocation can generate additional fees for us or our affiliates.

Please refer to Item 10 of this Brochure for an explanation of the conflicts associated with the businesses of our affiliates. Please see Item 12 of this Brochure for more information on our brokerage practices.

## **Conflicts of Interest Relating to the Sharing of Internally Generated Research**

Newton has a global internal research sharing policy where internal research is defined as internally generated analysis, data or information created by NIMNA, NIM or NIMJ research and investment employees on either a macro or security specific level. Newton can share internally generated investment research and related research recommendations with a view to enhancing the research and investment opportunities for all portfolios managed by each Firm. This sharing of internally generated research allows for the fair allocation of investment ideas across each firm and avoids one set of clients being advantaged or disadvantaged over another and is undertaken in accordance with applicable laws.

The sharing and subsequent use of internally generated research and related recommendations to inform portfolio management decisions has the potential to cause trade implementation by one firm ahead of the other firm which could in turn result in one or more clients receiving less favourable trading results. Similarly, the sharing of internally generated research can cause a firm to execute client orders at the same time with the result that one set of clients is disadvantaged vis-à-vis the other (for example where orders relate to less liquid securities). To mitigate these conflicts, Newton has adopted and implemented policies and procedures that set parameters around the sharing of internally generated research. All reasonable efforts will be made to ensure internal research is published or shared simultaneously across all firms thus allowing for the fair allocation of investment ideas and opportunities across the firms. However, it is recognised that time zones between offices will inherently impact the ability of Portfolio Managers to implement those investment ideas and opportunities other than in normal local working hours, it is also noted that typically, we do not manage the same strategy in different time zones. Both NIMNA and NIM have adopted a trade coordination approach to manage impact on client portfolios from portfolio management decisions, to optimise market participation of trades to avoid price impact and to generally ensure fair allocation between both sets of client executions. For a description of the trade coordination approach process please refer to Item 12.

The sharing and subsequent use of such research and/or research recommendations will inform portfolio management decisions. Clients of both NIMNA and NIM could have conflicting interests and objectives in connection with portfolio management decisions. For example, the Firm may make a decision to sell or liquidate a client position in which NIM's clients are invested which may then result in adverse consequences for NIM's client portfolios and vice versa. Conflicts may also arise in cases where the Firm's clients are invested in different parts of an issuer's capital structure compared to NIM's clients, for example, where an issuer has financial difficulty and clients have conflicting interests in any restructuring outcomes.

Newton operates a global restricted list for the purposes of restricting trading in securities across each of Newton's firms in order to manage material non-public information and/or confidential information that can result from the sharing of internally generated research. The operation of a global restricted list can result in less investment flexibility for NIMNA than if it did not receive internally generated research from NIM and operated its own individual restricted list.

## **Other Conflicts of Interest Posed by the NIMNA Incentive Compensation Plan**

The Firm offers highly competitive compensation packages to its key investment professionals. These employees are rewarded using a mix of base salary, annual cash bonus and long-term incentive plan (“LTIP”); these elements combine to provide competitive total compensation packages.

The variable compensation pool available for distribution to staff is calculated as a percentage of Newton’s profits. This is then split between annual bonus awards and LTIP awards. Investment performance is, therefore, a key determinant of variable compensation as well as the long-term incentives for our investment professionals. This performance-driven culture permeates every decision we make across corporate decision making, and in our investment selections. We believe that our interests are well aligned with those of our clients.

## **Other Conflicts of Interest**

As noted previously, we manage numerous accounts with a variety of interests. This practice gives rise to certain potential or actual conflicts of interest. For example, we can cause multiple accounts to invest in the same investment. Such accounts could have conflicting interests and objectives in connection with any such investment, including differing views on the operations or activities of the portfolio company, the targeted returns for the transaction and the timeframe for and method of exiting the investment. Some of our accounts may have gain/loss restrictions requiring them to hold certain securities while they are sold in other accounts. Conflicts also arise in cases where multiple Firm and/or affiliate client accounts are invested in different parts of an issuer’s capital structure. For example, one of our client accounts could acquire debt obligations of a company while another client account acquires an equity investment. In negotiating the terms and conditions of any such investments, we could conclude that the interests of the debt-holding client accounts and the equity holding client accounts conflict. If that issuer encounters financial problems, decisions over the terms of any workout could raise conflicts of interest (including, for example, conflicts over proposed waivers and amendments to debt covenants). For example, a client account holding a debt investment may be better served by a liquidation of an issuer in which they could be paid in full, whereas client account holding an equity investment could potentially prefer a reorganization of the issuer that would have the potential to retain value for the equity holders. As another example, holders of an issuer’s senior securities could potentially direct cash flows away from junior security holders, and both the junior and senior security holders could be client accounts of the Firm. As we become aware of any of the foregoing conflicts of interest, they will be discussed and resolved on a case-by-case basis. Any such discussions will factor in the interests of the relevant parties and applicable laws.

We, as a Firm, manage our accounts consistent with all applicable laws and follow policies and procedures that we believe are reasonably designed to treat our clients fairly and to prevent any client or group of clients from being systematically favored or disadvantaged. For example, we have implemented order aggregation and trade allocation policies and procedures which are designed to ensure that all clients are treated fairly and equally, and to prevent these conflicts from influencing the allocation of investment opportunities among clients. Please see Item 12 for a summary of our key order aggregation and trade allocation related policies and procedures. Conflicts of interest and potential conflicts are regularly tracked and monitored by the Firm. Further details of actual or potential conflicts of interest identified by Newton and how these are managed are included in the Newton’s Global Conflicts of Interest policy, which is available on Newton’s website.



The Firm, NIM and its affiliates uses the personnel or services of each other in a variety of ways to share each firm's global investment capabilities. This arrangement in most instances takes the form of a delegation or a direct appointment and can give rise to a number of perceived conflicts of interest. These potential conflicts include conflicts concerning the allocation of investment opportunities across both firms; the method and timing of the implementation and execution of client orders; the fact that the clients can be directed to a client servicing model that is more suitable for the Firm or its affiliate rather than a client; and/or that clients are directed to strategies of a respective Firm primarily for fee generation purposes without putting the interests of clients first. These risks are managed in a number of ways including the implementation of policies and procedures designed to ensure equal access to investment opportunities and trade coordination as described in more detail above and in Item 12.

There is currently no delegation arrangements or direct appointments between the Firm and NIMJ



## **ITEM 7: TYPES OF CLIENTS**

### **Types of Clients**

In addition to providing investment advisory services to proprietary accounts, banks or thrift institutions and other institutional clients, including, without limitation, corporate pension and profit sharing plans, Taft-Hartley plans, Voluntary Employee Beneficiary Associations (“VEBAs”), trusts, estates, sovereign wealth funds, central banks, charitable institutions, foundations, endowments, municipalities, insurance companies, variable annuities, state and local governments, religious organizations, U.S. registered investment companies, collective investment vehicles, exchange-traded funds, Private Funds, Undertakings for Collective Investment in Transferable Securities, other non-U.S. regulated funds, sovereign funds, separate accounts and other U.S. and international institutional accounts, NIMNA also participates in separately managed account (“SMA”) arrangements where NIMINA is the acting Investment Advisor or Model Provider, BNYMSC has been retained, for certain SMA programs, as an Administrative Service provider (for non-investment advisory operational support) in connection with the SMA programs for which NIMNA has entered into an agreement with the relevant sponsor. For those U.S.-based SMA arrangements where NIMNA has been retained as a subadvisor by BNYMSC, NIMNA provides investment advisory services to BNYMSC in connection with SMA programs for which BNYMSC has in turn entered into an investment advisory agreement with the relevant sponsor.

### **Account Requirements**

The Firm requires clients to execute a written investment management agreement with us which grants us authority to manage their assets. However, as discussed in Item 4 of this Brochure, retention of our investment advisory services may be obtained through various vehicles and arrangements. Please see Item 5 of this Brochure for more information on how we charge fees.

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

### **Investment Research Process**

Newton’s multidimensional research platform (the “Research Platform”) primarily supports the active equity group within NIMNA as well as NIM and integrates a variety of investment inputs including but not limited to, micro & macro themes, fundamental equity, macroeconomic, geopolitical, regional, quantitative, and investigative research.

Our global research team includes fundamental equity, quantitative equity, quantitative multi-asset, specialist research, and credit. Our team also includes a responsible investment group with dedicated subject-matter experts.

The Research Platform works to deliver insights that help navigate the fast-changing market environment. Some investment strategies will use them as a framework allowing a longer-term perspective that could help navigate headwinds and tailwinds. The aim of the platform is to bring together specialist research analysts, dedicated credit research analysts, multi-asset analysts and, fundamental equity research analysts and portfolio managers working as one team to deliver for clients.

### **ESG Considerations**

The Research Platform also considers, in addition to the inputs discussed above, environmental, social and governance (“ESG”) factors that, depending on the facts and circumstances, are material to the value of an issuer or instrument.

Any consideration of material ESG factors into our strategies is not done to seek collateral environmental or societal benefits for their own sake. We seek to consider ESG risks and opportunities (where appropriate and relevant) on the basis that the understanding of the materiality of these issues will help us better identify and assess risk adjusted returns over a proposed investment horizon.

Portfolio managers can choose to buy a security where there are ESG risks if they believe the portfolio will be compensated for taking this risk from a financial perspective. Whether and how ESG considerations are assessed or integrated into Newton’s non-sustainable strategies depends on the asset classes and the particular strategy involved. Newton can and does make investment decisions for these strategies without taking ESG factors into consideration and portfolio managers and analysts make their own decisions with respect to how much emphasis, if any, to place on ESG factors.

### **Investment Process for the Equity Product Line**

The Equity Product Line’s investment strategies are highly dependent on the overall investment objectives of individual clients. However, the basic themes of the Equity Product Line’s strategies are as follows:

The Equity Product Line identifies attractive stocks through rigorous quantitative and fundamental analyses blended with analysis of current business momentum and places controls on sector selection and, if applicable, country selection.

Newton has developed a fundamental equity research framework that rewrites classifications into clusters that we call “Pods”. This approach is designed to group companies with similar characteristics, at similar points in their development cycles. Starting with the interest-sensitive/stable pod, there are (typically) increasing idiosyncratic opportunities as we move through the true cyclical, growth cyclical, secular and research and development pods, i.e., the investment opportunities become more stock-specific rather than driven by broader market or macro conditions. The grouping process combines both quantitative and fundamental elements.

This approach applied by research analysts is very much one of identifying the best ideas rather than blanket coverage. Each equity in its assigned universe is a potential investment however research analysts are not required to analyse each equity. The research team and the portfolio managers prioritize where to allocate time required for deep, rigorous research on the best ideas. Their output is driven by how key inputs can influence the valuation of a company’s prospects. The aim is to facilitate a transparent opportunity set which portfolio managers can interrogate to view current recommendations, identify the relevant research analyst and communicate in an informed and efficient manner.

The research output from our global research team is supplemented and prioritized by our portfolio managers. The interaction between professionals in research and portfolio management roles is critical to achieving the optimum output from our research. Both research analysts and portfolio managers are involved in the research process with a high degree of engagement between them especially at a regional level, portfolio managers can be involved in a supporting, and sometimes equal, role to assist with coverage of smaller companies and/or regions. Portfolio managers have available the same research tools as analysts when approaching stock research.

### **Equity Product Line Investment Strategies**

**Global Equity.** Security selection is driven by a rigorous and highly collaborative process, which draws from a broad range of expertise. The strategy combines the complementary research techniques of fundamental and quantitative analysis. Analysts rank their international investable universe within economic sectors, countries, and capitalization ranges. The models combine relative value characteristics and relative growth characteristics to create a relative attractiveness score for each stock. Our sector experts review the more attractively ranked stocks to verify the accuracy of the ranking and make a judgment about the sustainability of the company’s business momentum. Using traditional fundamental techniques (e.g., financial statement analysis and meetings with management, suppliers, customers and competitors), the analysts are responsible for making a buy, sell or hold recommendation. Hallmarks of the investment approach are a portfolio with high active share and a core positioning driven by a barbell methodology in which the team balances elements of value and quality growth at the portfolio rather than the security level. The consistent thread that ties the process together is a systematic risk-management process, executed on a daily, weekly and monthly basis to ensure a balanced portfolio capable of providing a consistent, compelling relative return profile.

**Large Cap Value.** The team believes successful investing is achieved through a philosophy that is value-oriented, research-driven, and risk-controlled. They believe this strategy has proven to be successful over the decades and will remain so because what they embrace as their investment philosophy (valuation,

strong fundamentals and business improvement) is what ultimately drives stock performance. Moreover, an unwavering commitment to and disciplined implementation of this philosophy enables outperformance, exhibited by remaining patient amid panicked market selling or by opportunistically selling into strength when appropriate.

**Small Cap Growth.** Our investment team believes that successful growth investing is best achieved through identifying companies with sustainable growth duration in a framework of risk management. The team, consisting of experienced investment professionals with a demonstrated performance record employs a dynamic, disciplined investment approach that leverages thematic insights and seeks to identify sustainable growth with a distinct focus on risk assessment, including a stop-loss review, diversification, factor analysis and risk reporting.

**Small Cap Value.** The strategy focuses on identifying companies with compelling combinations of solid business franchises, attractive valuations and catalysts for change. The strongest potential opportunities uncovered by our investment team's research are selected for the portfolio, which is diversified by both individual security and economic sector. Individual portfolio holdings are weighted based on the upside/downside opportunity, market liquidity and the strategy's internal risk control parameters.

**Opportunistic Equity.** The Opportunistic Equity strategies feature a high-conviction, less constrained investment approach that seeks attractive excess returns over the long term. The strategies seek to invest in equities priced at a large discount to intrinsic value with fundamental strengths that will be recognized in the next one to three years. Capital allocation seeks to exploit a dissonance between market sentiment and fundamental reality, often as a result of sudden or pronounced price dislocations that generate a favorable risk/reward ratio.

**Multi-Factor Equity.** Strategies are designed to exceed the performance of their respective benchmarks. The strategies pursue security selection within core, value, and growth stocks across large, medium, and small companies within the U.S. and/or internationally. Multi-Factor strategies generally leave cash balances due to their use of derivative instruments. Excess cash will generally be invested in instruments including, but not limited to, Treasuries, money market funds, or short-term debt instruments.

**Thematic Equity.** Newton's research teams are organized to collaborate across sectors to identify secular trends in the market. We believe our research platform makes us particularly well-suited for thematic portfolios and investing. Our investment process for these strategic solutions leverages the full breadth of the Equity Product Line's equity investment platform, which includes fundamental research, quantitative research and portfolio management teams across regions, market capitalizations and investment styles.

## **Multi-Asset Product Line**

The Multi-Asset Product Line's investment strategies cover a variety of asset classes and span systematic, active, and index approaches. The construct of each portfolio is highly dependent on the overall investment objectives of each individual client. However, the basic themes of our strategies are as follows:

Multi-Asset strategies offer a wide range of solutions to achieve specific investor risk-return and/or income goals. These strategies are built on sophisticated investment processes with a long-term outcome oriented approach. Downside risk control is a key element across several multi-asset strategies. These strategies typically apply their

investment philosophies across global financial markets using both traditional and alternative investment vehicles including securities, derivatives each of which involves certain risks.

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

**Total Return** strategies are designed to provide total returns that exceed the performance of their respective benchmarks. These net long strategies typically contain a beta component directly related to the benchmark and an alpha component to outperform the benchmark, both across various global asset classes.

**Absolute Return** strategies are designed to provide absolute returns that exceed the performance of their respective benchmarks which is typically cash or cash-like. These market neutral or beta neutral strategies emphasize alpha strategies across various global asset classes.

**Risk Parity and Liquid Alternatives** strategies are multi-asset strategies that take a balanced approach to risk. These strategies aim to allocate to multiple asset classes such as equities, bonds and commodities equally based on the risk contribution of each asset class. The strategy utilizes leverage to achieve a specific risk/return goal.

**Real Asset Solutions** strategies are designed to provide returns with real or above inflation-type returns. These net long or market neutral strategies seeks to generate performance through both a dynamic beta component as well as an alpha component. These strategies use commodity futures to get exposure to underlying commodities.

**Dynamic Equity** strategies aim to outperform to an equity benchmark using well known and accepted financial theory. These strategies cover diversified equity markets such as the US large cap, US small cap, US all cap and Global ex-US equities.

**Retirement Solutions** strategies are a series of target date funds based on the projected target date of the participant. These balanced series of funds use a low cost index approach for each component and then leverage the consensus allocation across the universe of retirement solution providers to determine the asset allocation across each target date fund. These target date funds include traditional global equity, global bond as well as some alternatives such as commodity futures and or inflation linked bonds.

**Tail Risk Hedging** strategies are designed to outperform during traditional equity market corrections. These strategies are typically negatively correlated to traditional asset classes such as equity or credit. Ultimately these strategies are meant to reduce volatility and enhance a clients overall asset values through improved compounding of returns.

**Multi-Asset** strategies generally leave cash balances due to their use of derivative instruments. Excess cash will generally be invested in instruments including, but not limited to, treasuries, money market funds, or short-term debt instruments.



## Sustainable Strategy Investments

The sustainable strategies that are offered and provided to clients seeking a sustainability mandate, build from the overall assessment and integration of material ESG factors by seeking to further identify sustainable business and economic models that provide solutions to pressing societal challenges, balancing the interests of stakeholders through their operations, or transitioning away from harmful activities.

Securities considered suitable for sustainable strategies are subject to Newton's sustainable investment framework. This framework is owned by the responsible investment team at Newton. The framework seeks to identify and avoid issuers that participate in specific areas of activity that Newton deems to be harmful from an environmental or social perspective, while at the same time seeking to identify and invest in issuers that are proactively managing environmental and/or social factors to generate sustainable returns.

There are certain types of investments (e.g., cash/cash-like instruments, certain derivatives or index-based instruments) that Newton does not believe present material ESG risks, opportunities and/or issues. As such, Newton does not evaluate these investments under our sustainable investment framework. Sustainable investment is an evolving discipline and Newton will continue working to develop this framework, both as it relates to different asset classes as well as individual stocks.

## Investment Risks

### Summary of Material Risks

Each investment strategy offered by the Firm invests in a variety of securities, derivatives and/or other assets and employs a number of investment techniques that involve certain risks. Investing in securities and derivatives involves risk of loss that you should be prepared to bear. Our past results are not necessarily indicative of our future performance and our investment results may vary over time. We cannot assure investors that our investments will be profitable, and in fact, investors could incur substantial losses. The investor's investments with us are not a bank deposit and are not insured or guaranteed by the FDIC or any other government agency.

The tables below and section that follows set forth information concerning the material risks involved with each investment strategy of each respective Product Line. A "✓" in the table indicates that the strategy involves the corresponding risk. An empty box indicates that the Firm does not expect the strategy to create material exposure to the risk under normal market conditions. However, an empty box does not guarantee that the strategy will not be subject to the corresponding risk.

The risks set forth below represent a general summary of the material risks involved in the investment strategies we offer. If applicable, please refer to the "Risk Factors" section in the offering documents for a more detailed discussion of the risks involved in an investment in a fund.

Equity Product Line

<b>Risk Type</b>	<b>Global Equity</b>	<b>Global Research</b>	<b>Large Cap Value</b>	<b>Small Cap Growth</b>	<b>Small Cap Value</b>	<b>Opportunistic Equity</b>	<b>Multi-Factor Equity</b>	<b>Thematic Equity</b>
American Depository Receipts and Global Depository Receipts risk	✓	✓	✓	✓	✓	✓	✓	✓
Allocation risk		✓	✓	✓	✓	✓		
Alternative asset classes and investment strategies risk						✓	✓	
Asian emerging market risk	✓	✓					✓	✓
Asset-backed securities risk								
Banking industry risk	✓	✓	✓	✓	✓	✓		✓
Call risk			✓			✓		
Clearance and settlement risk	✓	✓	✓	✓	✓	✓		✓
Commodity sector risk	✓	✓	✓	✓	✓	✓		✓
Convertible securities risk	✓	✓	✓			✓		
Correlation risk	✓	✓	✓	✓	✓	✓		✓
Counterparty risk			✓			✓		
Country, industry and market sector allocation risk	✓	✓	✓	✓	✓	✓	✓	✓
Credit Default Swaps								
Credit Linked Note								
Credit risk								
Cybersecurity risk	✓	✓	✓	✓	✓	✓	✓	✓
Derivatives risk			✓			✓	✓	
Emerging market risk	✓	✓				✓	✓	✓
Equity securities risk	✓	✓	✓	✓	✓	✓		✓
Exchange-traded fund ("ETF") risk	✓	✓	✓	✓	✓	✓	✓	✓
Fixed income market risk			✓					
Foreign Currency Options								
Foreign Currency Exchange Transactions	✓	✓				✓		✓
Foreign Currency risk	✓	✓				✓	✓	✓
Foreign government obligations and securities of supranational entities risk								
Foreign investment risk	✓	✓				✓	✓	✓
Frontier market risk	✓	✓						✓
Futures contracts risk	✓							
Government securities risk								
Growth and value stock risk	✓	✓	✓	✓	✓	✓	✓	✓
Growth stock risk	✓	✓	✓	✓	✓	✓	✓	✓
Healthcare sector risk	✓	✓	✓	✓	✓	✓		✓
High yield bond risk								

<b>Risk Type</b>	<b>Global Equity</b>	<b>Global Research</b>	<b>Large Cap Value</b>	<b>Small Cap Growth</b>	<b>Small Cap Value</b>	<b>Opportunistic Equity</b>	<b>Multi-Factor Equity</b>	<b>Thematic Equity</b>
Indexing strategy risk								
Inflation-indexed securities risk								
Interest rate risk							✓	
Initial public offering (IPO) risk	✓	✓	✓	✓	✓	✓		✓
Issuer risk	✓	✓	✓	✓	✓	✓		✓
Large cap stock risk	✓	✓	✓			✓	✓	✓
Leverage risk							✓	
Liquidity risk	✓	✓	✓	✓	✓	✓	✓	✓
Market and credit risk	✓	✓	✓	✓	✓	✓		✓
Market risk	✓	✓	✓	✓	✓	✓	✓	✓
Micro-cap company risk	✓			✓	✓	✓		✓
Mortgage related securities risk								
Municipal lease risk								
Municipal securities risk								
Non-diversification risk	✓	✓	✓	✓	✓	✓		✓
Options risk			✓			✓		
Participatory notes risk	✓	✓				✓		✓
Portfolio turnover risk	✓	✓	✓	✓	✓	✓		✓
Preferred stock risk	✓	✓	✓	✓	✓	✓		✓
Quantitative model risk	✓	✓	✓	✓	✓	✓	✓	✓
Real estate sector risk	✓	✓	✓	✓	✓	✓		✓
Short sale risk							✓	
Small and mid-size company risk	✓	✓	✓	✓	✓	✓	✓	✓
Social investment risk								
State-specific risk								
Stock investing risk	✓	✓	✓	✓	✓	✓	✓	✓
Stock selection risk	✓	✓	✓	✓	✓	✓	✓	✓
Swap Agreements								
Systemic risk	✓	✓	✓	✓	✓	✓	✓	✓
Tax risk								
Technology company risk	✓	✓	✓	✓	✓	✓		✓
Trading Limitations								
Unlisted financial instruments risk								
Value stock risk	✓	✓	✓	✓	✓	✓	✓	✓
Volcker Rule risk								
Warrant and rights risk	✓	✓	✓	✓	✓	✓		✓



Multi-Asset Product Line

<b>Risk Type</b>	<b>Global Asset Allocation</b>	<b>Domestic Asset Allocation</b>	<b>Alternative Investments: Commodities</b>	<b>Active Commodity</b>	<b>Risk Parity</b>	<b>Dynamic Factor Premia</b>
American Depository Receipts and Global Depository Receipts risk	✓					✓
Allocation risk	✓	✓	✓	✓	✓	✓
Alternative asset classes and investment strategies risk	✓	✓	✓	✓	✓	✓
Asian emerging market risk	✓					✓
Asset-backed securities risk	✓	✓				✓
Banking industry risk						
Call risk	✓	✓				✓
Clearance and settlement risk	✓					✓
Commodity sector risk	✓	✓	✓	✓	✓	✓
Convertible securities risk						✓
Correlation risk	✓	✓			✓	✓
Counterparty risk	✓	✓	✓	✓	✓	✓
Country, industry and market sector allocation risk	✓		✓	✓		✓
Credit Default Swaps					✓	✓
Credit Linked Note						✓
Credit risk	✓	✓	✓	✓	✓	✓
Cybersecurity risk	✓	✓	✓	✓	✓	✓
Derivatives risk	✓	✓	✓	✓	✓	✓
Emerging market risk	✓					✓
Equity securities risk					✓	✓
Exchange-traded fund ("ETF") risk	✓					✓
Fixed income market risk		✓			✓	✓
Foreign Currency Options						✓
Foreign Currency Exchange Transactions						✓
Foreign Currency risk					✓	✓
Foreign government obligations and securities of supranational entities risk					✓	✓
Foreign investment risk	✓				✓	✓
Frontier market risk						
Futures contracts risk					✓	✓
Government securities risk	✓	✓				✓
Growth and value stock risk	✓	✓				✓
Growth stock risk						
Healthcare sector risk						
High yield bond risk	✓				✓	✓

<b>Risk Type</b>	<b>Global Asset Allocation</b>	<b>Domestic Asset Allocation</b>	<b>Alternative Investments: Commodities</b>	<b>Active Commodity</b>	<b>Risk Parity</b>	<b>Dynamic Factor Premia</b>
Indexing strategy risk	✓				✓	✓
Inflation-indexed securities risk	✓				✓	✓
Interest rate risk	✓	✓			✓	✓
Initial public offering (IPO) risk						
Issuer risk	✓	✓				✓
Large cap stock risk	✓	✓				✓
Leverage risk	✓	✓	✓	✓	✓	✓
Liquidity risk	✓		✓	✓	✓	✓
Market and credit risk	✓				✓	✓
Market risk	✓	✓	✓	✓	✓	✓
Micro-cap company risk						
Mortgage related securities risk						
Municipal lease risk						
Municipal securities risk						
Non-diversification risk						
Options risk					✓	✓
Participatory notes risk	✓	✓				✓
Portfolio turnover risk	✓		✓	✓		✓
Preferred stock risk	✓					✓
Prepayment and extension risk						
Quantitative model risk	✓	✓	✓	✓	✓	✓
Real estate sector risk	✓					✓
Short sale risk	✓	✓	✓	✓	✓	✓
Small and mid-size company risk	✓					✓
Social investment risk						
State-specific risk						
Stock investing risk	✓	✓			✓	✓
Stock selection risk						
Swap Agreements					✓	✓
Systemic risk	✓	✓	✓	✓	✓	✓
Tax risk						
Technology company risk						
Trading Limitations						
Unlisted financial instruments risk						
Value stock risk						
Volcker Rule risk						
Warrant and rights risk						

## Risk Factors

The risks set forth below represent a general summary of the material risks involved in the investment strategies we offer. We define material risks as risks associated with any type of investment that would account for 5% or more of the overall investment strategy. If applicable, please refer to the “risk factors” section in the offering documents or prospectus for a more detailed discussion of the risks involved in an investment in a fund. Not all material risks will be applicable to each strategy.

**Allocation risk.** The asset classes in which a strategy seeks investment exposure can perform differently from each other at any given time (as well as over the long term), so the strategy will be affected by its allocation among the various asset classes. If the strategy favors exposure to an asset class during a period when that class underperforms, performance may be hurt. In addition, there can be no assurance that the allocation of a strategy’s assets among investment strategies and underlying funds will be effective in achieving the strategy’s investment goal.

**American Depository Receipts and Global Depository Receipts risk.** American depository receipts (“ADRs”) are receipts issued by a U.S. bank or trust company evidencing ownership of underlying securities issued by non-U.S. issuers. ADRs may be listed on a national securities exchange or may be traded in the over-the-counter market. Global depository receipts (“GDRs”) are receipts issued by either a U.S. or non-U.S. banking institution representing ownership in a non-U.S. company’s publicly traded securities that are traded on non-U.S. stock exchanges or non-U.S. over-the-counter markets. Holders of unsponsored ADRs or GDRs generally bear all the costs of such facilities. The depository of an unsponsored facility frequently is under no obligation to distribute investor communications received from the issuer of the deposited security or to pass through voting rights to the holders of depository receipts in respect of the deposited securities. Investments in ADRs and GDRs pose, to the extent not hedged, currency exchange risks (including blockage, devaluation and non-exchangeability), as well as a range of other potential risks relating to the underlying shares, which could include expropriation, confiscatory taxation, imposition of withholding or other taxes on dividends, interest, capital gains, other income or gross sales or disposition proceeds, political or social instability or diplomatic developments that could affect investments in those countries, illiquidity, price volatility and market manipulation. In addition, less information may be available regarding the underlying shares of ADRs and GDRs, and non-U.S. companies may not be subject to accounting, auditing and financial reporting standards and requirements comparable to, or as uniform as, those of U.S. companies. Such risks may have a material adverse effect on the performance of such investments and could result in substantial losses.

**Alternative asset classes and investment strategies risk.** These strategies may invest in asset classes and employ investments that involve greater risks than the asset class investments and strategies used by traditional strategies, including increased use of short sales, leverage, derivative transactions and hedging strategies. Accordingly, investors should consider investing in these strategies only as part of an overall diversified portfolio.

**Asian emerging market risk.** Many Asian economies are characterized by over-extension of credit, frequent currency fluctuations, devaluations and restrictions, rising unemployment, rapid fluctuations in inflation, reliance on exports and less efficient markets. Currency devaluation in one Asian country can have a significant effect on the entire region. The legal systems in many Asian countries are still developing, making it more difficult to obtain and/or enforce judgments. Furthermore, increased political and social unrest in some Asian countries could cause economic and market uncertainty throughout the region. The auditing and reporting standards in some Asian emerging market countries may not provide the same degree of shareholder/investor protection or information to

investors as those in developed countries. In particular, valuation of assets, depreciation, exchange differences, deferred taxation, contingent liability and consolidation may be treated differently than under the auditing and reporting standards of developed countries.

**Asset-backed securities risk.** General downturns in the economy could cause the value of asset-backed securities to fall. In addition, asset-backed securities present certain risks that are not presented by mortgage-backed securities. Primarily, these securities may provide a strategy with a less effective security interest in the related collateral than do mortgage-backed securities. Therefore, there is the possibility that recoveries on the underlying collateral may not, in some cases, be available to support payments on these securities.

**Banking industry risk.** The risks generally associated with concentrating investments in the banking industry, such as interest rate risk, credit risk and regulatory developments relating to the banking industry.

**Call risk.** Some bonds give the issuer the option to call, or redeem, the bonds before their maturity date. If an issuer “calls” its bond during a time of declining interest rates, the strategy might have to reinvest the proceeds in an investment offering a lower yield, and therefore might not benefit from any increase in value as a result of declining interest rates. During periods of market illiquidity or rising interest rates, prices of “callable” issues are subject to increased price fluctuation.

**Clearance and settlement risk.** Many emerging market countries have different clearance and settlement procedures from developed countries. There may be no central clearing mechanism for settling trades and no central depository or custodian for the safe keeping of securities. The registration, record-keeping and transfer of instruments may be carried out manually, which may cause delays in the recording of ownership. Increased settlement risk may increase counterparty and other risk. Certain markets have experienced periods when settlement dates are extended, and during the interim, the market value of an instrument may change. Moreover, certain markets have experienced periods when settlements did not keep pace with the volume of transactions resulting in settlement difficulties. Because of the lack of standardized settlement procedures, settlement risk in emerging markets is more prominent than in more mature markets.

**Commodity sector risk.** Exposure to the commodities markets may subject a strategy to greater volatility than investments in traditional securities. Investments linked to the prices of commodities are considered speculative. Prices of commodities and related contracts may fluctuate significantly over short periods for a variety of factors, including changes in supply and demand relationships, weather, agriculture, trade, fiscal, monetary and exchange control programs, disease, pestilence, acts of terrorism, embargoes, tariffs and international economic, political, military and regulatory developments.

**Concentration risk.** A strategy may have a concentrated portfolio due to investment in a limited number of securities, giving rise to concentration risk. A fall in the value of a single security may have a greater impact on the strategy’s value than if the strategy had a more diversified portfolio.

**Convertible securities risk.** Convertible securities may be converted at either a stated price or stated rate into underlying shares of common stock. Convertible securities generally are subordinated to other similar but non-convertible securities of the same issuer. Although to a lesser extent than with fixed-income securities, the market values of convertible securities tend to decline as interest rates increase. In addition, because of the conversion feature, the market values of convertible securities tend to vary with fluctuations in the market value of the underlying common stock. Although convertible securities are designed to provide for a stable stream of income, they are subject to the risk that their issuers may default on their obligations. Convertible securities also offer the

potential for capital appreciation through the conversion feature, although there can be no assurance of capital appreciation because securities prices fluctuate. Convertible securities generally offer lower interest or dividend yields than non-convertible securities of similar quality because of the potential for capital appreciation. A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible securities' governing instrument. If a convertible security held by an account is called for redemption, the account will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third party. Any of these actions could have an adverse effect on the ability to achieve an account's investment objective.

**Correlation risk.** Although the prices of equity securities and fixed income securities, as well as other asset classes, often rise and fall at different times so that a fall in the price of one may be offset by a rise in the price of the other, in down markets the prices of these securities and asset classes can also fall in tandem. Additionally, where a strategy seeks to deliver returns that are not typically representative of the broad market by allocating its assets among satellite asset categories or investment strategies, there can be no guarantee that the performance of the underlying funds or the fund will have a low correlation to that of traditional asset classes under all market conditions.

**Counterparty risk.** Under certain conditions, a counterparty to a transaction, including repurchase agreements and derivative instruments, could fail to honor the terms of the agreement, default and the market for certain securities or financial instruments in which the counterparty deals may become illiquid.

**Country, industry and market sector allocation risk.** A strategy may be overweighted or underweighted, relative to the benchmark index, in companies in certain countries, industries or market sectors, which may cause the strategy's performance to be more or less sensitive to positive or negative developments affecting these countries, industries or sectors. In addition, a strategy may, from time to time, invest a significant portion (more than 25%) of its total assets in securities of companies located in particular countries, such as the United Kingdom and Japan, depending on such country's representation within the benchmark index.

**Credit Default Swaps ("CDS").** The "buyer" in a credit default contract is obligated to pay the "seller" a periodic stream of payments over the term of the contract provided that no event of default on an underlying obligation has occurred. If a "credit event" occurs, the seller must pay the buyer the full notional value, or "par value," of the obligation. CDS transactions are either "physical-settled" or "cash-settled." Physical settlement entails the actual delivery by the buyer of the reference asset to the seller in exchange for the payment of the full par value of the reference asset. Cash settled entails a net cash payment from the seller to the buyer based on the difference of the par value of the reference asset and the current market value of the reference asset. The portfolio may be either the buyer or seller in a CDS transaction. CDS can be used to address the perception of the client that a particular credit, or group of credits, may experience credit improvement or deterioration. In the case of expected credit improvement, the portfolio may sell credit default protection in which it receives a premium to take on the risk. In such an instance, the obligation of the portfolio to make payments upon the occurrence of a credit event creates leveraged exposure to the credit risk of the referenced entity. The portfolio may also buy credit default protection with respect to a reference entity if there is a high likelihood of perceived credit deterioration or for risk management purposes. In such instance, the portfolio will pay a premium regardless of whether there is a credit event. If the portfolio is a buyer and no credit event occurs, the portfolio will have made a series of periodic payments and recover nothing of monetary value. However, if a credit event occurs, the portfolio (if the buyer) will receive the full notional value of the reference obligation either through a cash or physical settlement. As a seller, the portfolio receives a fixed rate of income throughout the term of the contract, which typically is between six

months and five years (but may be longer), provided that there is no credit event. CDS transactions may involve greater risks than if the portfolio had invested in the reference obligation directly. The CDS market in high yield securities is comparatively new and rapidly evolving compared to the CDS market for more seasoned and liquid investment-grade securities, creating the risk that the newer markets will be less liquid and it may be difficult to exit or enter into a particular transaction.

**Credit Linked Note (“CLN”).** We may purchase CLNs from time to time when we are unable to access certain markets. CLNs are created through a Special Purpose Vehicle (SPV) which owns the reference obligation and issues a security with the same attributes as the underlying security. CLNs are over the counter securities negotiated with a dealer. In the event the counterparty defaults, the security could become illiquid or suffer significant price depreciation or loss of principal as the CLN is a fully funded privately negotiated transaction. In the transaction, the dealer becomes the issuer and determines whether or not a risk event has occurred. Risk events can vary by dealer but are generally focused on credit events or settlement events. A credit event is generally triggered when the reference entity fails to pay or restructures its debt. Settlement events are generally triggered when changes in local laws or local market events prohibit the issuer from transacting in the reference security or currency. Following the determination of a risk event, the maturity date could be accelerated and the issuer will return value that is obtained from the highest bid in the payment currency. Under these circumstances, the value returned to holders could be zero.

**Credit risk.** Failure of an issuer to make timely interest or principal payments, or a decline or perception of a decline in the credit quality of a bond can cause a bond’s price to fall, lowering the value of a strategy’s investment in such security. The lower a security’s credit rating, the greater the chance that the issuer of the security will default or fail to meet its payment obligation. See also “High yield bond risk.”

**Cybersecurity risk.** In addition to the risks described above that primarily relate to the value of investments, there are various operational, systems, information security and related risks involved in investing, including but not limited to “cybersecurity” risk. Cybersecurity attacks include electronic and non-electronic attacks that include but are not limited to gaining unauthorized access to digital systems (e.g., through “hacking” or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data or causing operational disruption. Cybersecurity attacks also may be carried out in a manner that does not require gaining unauthorized access, such as causing denial of service attacks on websites (i.e., efforts to make services unavailable to intended users). As the use of technology has become more prevalent, we and the client accounts we manage have become potentially more susceptible to operational risks through cybersecurity attacks. These attacks in turn could cause us and client accounts (including funds) we manage to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures, and/or financial loss. Similar adverse consequences could result from cybersecurity incidents affecting issuers of securities in which we invest, counterparties with which we engage in transactions, third-party service providers (e.g., a client account’s custodian), governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers and other financial institutions and other parties. While cybersecurity risk management systems and business continuity plans have been developed and are designed to reduce the risks associated with these attacks, there are inherent limitations in any cybersecurity risk management system or business continuity plan, including the possibility that certain risks have not been identified. Accordingly, there is no guarantee that such efforts will succeed, especially since we do not directly control the cybersecurity systems of issuers or third-party service providers.

**Derivatives risk.** A small investment in derivatives could have a potentially large impact on a strategy's performance. The use of derivatives involves risks different from, or possibly greater than, the risks associated with investing directly in the underlying assets. Derivatives can be highly volatile, illiquid, and difficult to value and there is the risk that changes in the value of a derivative held by the strategy will not correlate with the underlying instruments or the strategy's other investments. Derivative instruments also involve the risk that a loss may be sustained as a result of the failure of the counterparty to the derivative instruments to make required payments or otherwise comply with the derivative instruments' terms. Certain types of derivatives involve greater risks than the underlying obligations because, in addition to general market risks, they are subject to illiquidity risk, counterparty risk and credit risk. Additionally, some derivatives involve economic leverage, which could increase the volatility of these investments as they may fluctuate in value more than the underlying instrument. See also "Leverage risk."

**Emerging market risk.** Emerging markets tend to be more volatile and less liquid than the markets of more mature economies and generally have less diverse and less mature economic structures and less stable political systems than those of developed countries. The securities of issuers located or doing substantial business in emerging markets are often subject to rapid and large changes in price. In particular, emerging markets may have relatively unstable governments, present the risk of sudden adverse government or regulatory action and even nationalization of businesses, have restrictions on foreign ownership or prohibitions on repatriation of assets and impose less protection of property rights than more developed countries. The economies of emerging market countries may be based predominantly on only a few industries and may be highly vulnerable to changes in local or global trade conditions and may suffer from extreme debt burdens or volatile inflation rates. Local securities markets may trade a small number of securities and may be unable to respond effectively to increases in trading volume, potentially making prompt liquidation of substantial holdings difficult. Transaction settlement and dividend collection procedures also may be less reliable in emerging markets than in developed markets. The fixed income securities of issuers located in emerging markets can be more volatile and less liquid than those of issuers in more mature economies. In addition, such securities often are considered to be below investment grade credit quality and predominantly speculative. The imposition of sanctions, confiscations, trade restrictions (including tariffs) and other government restrictions by the United States and other governments, or problems in share registration, settlement, or custody, may also result in losses.

**Equity securities risk.** The value of equity securities of public and private, listed and unlisted companies and equity derivatives generally varies with the performance of the issuer and movements in the equity markets. As a result, an account may suffer losses if it invests in equity instruments of issuers whose performance diverges from expectations or if equity markets generally move in a single direction. Accounts may also be exposed to risks that issuers will not fulfill contractual obligations such as, in the case of convertible securities or private placements, delivering marketable common stock upon conversions of convertible securities and registering restricted securities for public resale.

**Exchange-traded fund ("ETF") risk.** Exchange Traded Funds ("ETFs") are shares of publicly traded unit investment trusts, open-end funds or depository receipts that seek to track the performance and dividend yield of specific indexes or companies in related industries. These indexes may be either broad-based, sector or international. However, ETF shareholders are generally subject to the same risk as holders of the underlying financial instruments they are designed to track. ETFs are also subject to certain additional risks, including, without limitation, the risk that their prices may not correlate perfectly with changes in the prices of the underlying financial instruments they are designed to track and the risk of trading in an ETF halting due to market conditions or other reasons, based on the policies of the exchange upon which the ETF trades.

ETFs in which the strategy may invest involve certain inherent risks generally associated with investments in a portfolio of common stocks and/or bonds, including the risk that the general level of stock prices may decline, thereby adversely affecting the value of each unit of the ETF. Moreover, an ETF may not fully replicate the performance of its benchmark index because of the temporary unavailability of certain index securities in the secondary market or discrepancies between the ETF and the index with respect to the weighting of securities or the number of securities held. Investing in ETFs, which are investment companies, may involve duplication of advisory fees and certain other expenses.

**Fixed income market risk.** The market value of a fixed-income security may decline due to general market conditions that are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the outlook for corporate earnings, changes in interest or currency rates, or adverse investor sentiment generally. The fixed-income securities market can be susceptible to increases in volatility and decreases in liquidity. Liquidity can decline unpredictably in response to overall economic conditions or credit tightening. Increases in volatility and decreases in liquidity may be caused by a rise in interest rates (or the expectation of a rise in interest rates), which are at or near historic lows in the United States and in other countries. An unexpected increase in strategy redemption requests, which may be triggered by market turmoil or an increase in interest rates, could cause the strategy to sell its holdings at a loss or at undesirable prices and adversely affect the strategy's performance and increase the strategy's liquidity risk, expenses and/or taxable distributions.

**Foreign Currency Options.** We may take positions in options on foreign currencies for investment purposes or to hedge against the risk that foreign exchange rate fluctuations will affect the value of foreign securities such portfolios hold or intend to purchase. Transaction costs may be higher because the quantities of currencies underlying option contracts that such portfolios may enter represent odd lots in a market dominated by transactions between banks. There is no systematic reporting of last sale information for foreign currencies or any regulatory requirement that quotations be firm or revised on a timely basis. Quotation information is generally representative of very large transactions in the interbank market and may not reflect smaller transactions where rates may be less favorable. Option markets may be closed while round-the-clock interbank currency markets are open and this can create price and rate discrepancies.

**Forward Foreign Currency Exchange Transactions.** We may engage in spot transactions and use forward contracts for investment purposes and to protect against uncertainty in the level of future exchange rates. For example, these portfolios may use forward contracts in connection with existing portfolio positions to lock in the U.S. dollar value of those positions, to increase a portfolio's exposure to foreign currencies that may rise in value relative to the U.S. dollar or to shift the portfolio's exposure to foreign currency fluctuations from one country to another. The precise matching of the forward contract amounts and the value of the securities involved will not generally be possible because the future value of such securities in foreign currencies will change as a consequence of market movements in the value of those securities between the date the forward contract is entered into and the date it matures. Accordingly, it may be necessary for a portfolio to purchase additional foreign currency on the spot (that is, cash) market and bear the expense of such purchase if the market value of the security is less than the amount of foreign currency the portfolio is obligated to deliver and if a decision is made to sell the security and make delivery of the foreign currency. Conversely, it may be necessary to sell on the spot market some of the foreign currency received upon the sale of the portfolio security if its market value exceeds the amount of foreign currency the portfolio is obligated to deliver.

**Foreign currency risk.** Investments in foreign currencies are subject to the risk that those currencies will decline in value relative to the U.S. dollar, or in the case of hedged positions, that the U.S. dollar will decline relative to



the currency being hedged. Currency exchange rates may fluctuate significantly over short periods of time. A decline in the value of foreign currencies relative to the U.S. dollar will reduce the value of securities held by the strategy and denominated in those currencies. Foreign currencies are also subject to risks caused by inflation, interest rates, budget deficits and low savings rates, political factors and government controls.

**Foreign government obligations and securities of supranational entities risk.** Investing in foreign government obligations and the sovereign debt of emerging market countries creates exposure to the direct or indirect consequences of political, social, or economic changes in the countries that issue the securities or in which the issuers are located. Factors which may influence the ability or willingness of a foreign government or country to service debt include a country's cash flow situation, the availability of sufficient foreign exchange on the date a payment is due, the relative size of its debt service burden to the economy as a whole and its government's policy towards the International Monetary Fund, the International Bank for Reconstruction and Development and other international agencies. Other factors include the obligor's balance of payments, including export performance, its access to international credit and investments, fluctuations in interest rates and the extent of its foreign reserves. A governmental obligor may default on its obligations. These risks are heightened with respect to emerging market countries. The imposition of sanctions, confiscations, trade restrictions (including tariffs) and other government restrictions by the United States and other governments, or problems in share registration, settlement or custody, may also result in losses.

**Foreign investment risk.** Special risks associated with investments in foreign companies include exposure to currency fluctuations, less liquidity, less developed or less efficient trading markets, lack of comprehensive company information, political or economic instability, seizure or nationalization of assets, imposition of taxes or repatriation restrictions and differing auditing and legal standards. The securities of issuers located in emerging markets can be more volatile and less liquid than those of issuers in more mature economies. The imposition of sanctions, confiscations, trade restrictions (including tariffs) and other government restrictions by the United States and other governments, or problems in share registration, settlement or custody, may also result in losses.

**Frontier market risk.** The risks associated with investments in frontier market countries include all the risks described for investments in foreign securities and emerging markets, although the risks are magnified for frontier market countries. Because frontier markets are among the smallest, least mature and least liquid of the emerging markets, investments in frontier markets generally are subject to a greater risk of loss than investments in developed markets or traditional emerging markets. Frontier market countries have smaller economies, less developed capital markets, greater market volatility, lower trading volume, more political and economic instability, greater risk of a market shutdown and more governmental limitations on foreign investments than typically found in more developed markets.

**Futures contracts risk.** Futures contracts generally provide a high degree of liquidity and a low level of counterparty performance and settlement risk. While the use of futures contracts by a portfolio can amplify a gain, it can also amplify a loss. This loss can be substantially more money than the initial margin posted by the portfolio pursuant to the contracts. There is no assurance of market liquidity for futures contracts, whether traded on an exchange or in the over-the-counter market and, as a result, there may be times where a portfolio would not be able to close a future investment position when it wanted to do so. Upon entering into a futures transaction, a portfolio will generally be required to deposit an initial margin payment with the futures commission merchant (the "futures broker"). The initial margin payment will be deposited with a portfolio's custodian in an account registered in the futures broker's name; however, the futures broker can gain access to that account only under specified conditions. As the future is marked-to-market to reflect changes in its market value, subsequent margin payments,

called variation margin, will be paid to or by the futures broker on a daily basis. Prior to expiration of the future, if a portfolio elects to close out its position by taking an opposite position, a final determination of variation margin is made, additional cash is required to be paid by or released to the portfolio and any loss or gain is realized for tax purposes. Position limits also apply to futures traded on an exchange. An exchange may order the liquidation of positions found to be in violation of those limits and may impose certain other sanctions. Initial margin is posted to a collateral pool which may be used to cover third-party liabilities in an event of default by a clearing broker or a major clearing broker's client.

**General Risks.** Each investment strategy we offer invests in a variety of securities and derivatives and employs a number of investment techniques that involve certain risks. Investments involve risk of loss that clients (and investors in our funds) should be prepared to bear. We do not guarantee or represent that our investment program will be successful. Our past results are not necessarily indicative of our future performance and our investment results may vary over time. We cannot assure you that our investment decisions will be profitable, and, in fact, you could incur substantial losses. Your investments with us are not a bank deposit and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

**Government securities risk.** Not all obligations of the U.S. government's agencies and instrumentalities are backed by the full faith and credit of the U.S. Treasury. Some obligations are backed only by the credit of the issuing agency or instrumentality and in some cases, there may be some risk of default by the issuer. Any guarantee by the U.S. government or its agencies or instrumentalities of a security held by the strategy does not apply to the market value of such security. A security backed by the U.S. Treasury, or the full faith and credit of the United States is guaranteed only as to the timely payment of interest and principal when held to maturity. In addition, because many types of U.S. government securities trade actively outside the United States, their prices may rise and fall as changes in global economic conditions affect the demand for these securities. No assurance can be given that the U.S. government will provide financial support to its agencies and instrumentalities, since it is not obligated to do so by law.

**Growth and value stock risk.** By investing in a mix of growth and value companies, the strategy assumes the risks of both. Investors often expect growth companies to increase their earnings at a certain rate. If these expectations are not met, investors can punish the stocks inordinately, even if earnings do increase. In addition, growth stocks typically lack the dividend yield that can cushion stock prices in market downturns. Value stocks involve the risk that they may never reach their expected full market value, either because the market fails to recognize the stock's intrinsic worth, or the expected value was misgauged. They also may decline in price even though in theory they are already undervalued.

**Health care sector risk.** When a strategy's investments are concentrated in the health care and related sectors, the value of your investment will be affected by factors particular to those sectors and may fluctuate more widely than that of a strategy which invests in a broad range of industries. Health care companies are subject to government regulation and approval of their products and services, which can have a significant effect on their market price. The types of products or services produced or provided by these companies may quickly become obsolete. Moreover, liability for products that are later alleged to be harmful or unsafe may be substantial and may have a significant impact on the health care company's market value and/or share price. Biotechnology and related companies are affected by patent considerations, intense competition, rapid technology change and obsolescence and regulatory requirements of various federal and state agencies. In addition, some of these companies are relatively small and have thinly traded securities, may not yet offer products or may offer a single product and may have persistent losses during a new product's transition from development to production, or erratic revenue

patterns. The stock prices of these companies are very volatile, particularly when their products are up for regulatory approval and/or under regulatory scrutiny. Securities of companies within specific health care sectors can perform differently than the overall market. This may be due to changes in such things as the regulatory or competitive environment, or to changes in investor perceptions regarding a sector. Because the strategy may allocate relatively more assets to certain health care sectors than others, the strategy's performance may be more sensitive to developments which affect those sectors emphasized by the strategy.

**High yield bond risk.** High yield ("junk") bonds involve greater credit risk, including the risk of default, than investment grade bonds and are considered predominantly speculative with respect to the issuer's ability to make principal and interest payments. The prices of high yield bonds can fall dramatically in response to bad news about the issuer or its industry, or the economy in general.

**Indexing strategy risk.** Indexing strategies do not attempt to manage market volatility, use defensive strategies or reduce the effects of any long-term periods of poor index performance. The correlation between strategy and index performance may be affected by the strategy's expenses and use of sampling techniques, changes in securities markets, changes in the composition of the index and the timing of purchases and sales.

**Inflation-indexed security risk.** Interest payments on inflation-indexed securities can be unpredictable and will vary as the principal and/or interest is periodically adjusted based on the rate of inflation. If the index measuring inflation falls, the interest payable on these securities will be reduced. The U.S. Treasury has guaranteed that in the event of a drop in prices, it would repay the par amount of its inflation-indexed securities. Inflation-indexed securities issued by corporations generally do not guarantee repayment of principal. Any increase in the principal amount of an inflation-indexed security will be considered taxable ordinary income, even though investors do not receive their principal until maturity. As a result, the strategy may be required to make annual distributions that exceed the cash the strategy received, which may cause the strategy to liquidate certain investments when it is not advantageous to do so. Also, if the principal value of an inflation-indexed security is adjusted downward due to deflation, amounts previously distributed may be characterized in some circumstances as a return of capital.

**Initial public offering ("IPO") risk.** The prices of securities purchased in IPOs can be very volatile. The effect of IPOs on a strategy's performance depends on a variety of factors, including the number of IPOs the strategy invests in relative to the size of the strategy and whether and to what extent a security purchased in an IPO appreciates or depreciates in value. Therefore, IPO investments may magnify the returns of the strategy.

**Interest rate risk.** Prices of debt securities tend to move inversely with changes in interest rates. Typically, a rise in rates will adversely affect the prices of these securities and, accordingly, the value of your investment. The longer the effective maturity and duration of the strategy's portfolio, the more the value of your investment is likely to react to interest rates. Mortgage-related securities can have a different interest rate sensitivity than other bonds, however, because of prepayments and other factors, they may carry additional risks and be more volatile than other types of debt securities due to unexpected changes in interest rates.

**Investment strategy risk.** A strategy's investment criteria (for example, sustainability) may limit the number of investment opportunities available to the strategy, and, as a result, at times the strategy's returns may be lower than those of strategies that are not subject to such special investment considerations.

**Issuer risk.** The value of a security may decline for a number of reasons which directly relate to the issuer, such as management performance, financial leverage and reduced demand for the issuer's products or services.

**Large cap stock risk.** To the extent a strategy invests in large capitalization stocks, the strategy may underperform strategies that invest primarily in the stocks of lower quality, smaller capitalization companies during periods when the stocks of such companies are in favor.

**Leverage risk.** The use of leverage, such as engaging in reverse repurchase agreements, lending portfolio securities, entering into futures contracts or forward currency contracts, investing in inverse floaters, entering into short sales, the use of portfolio leverage or margin and engaging in forward commitment transactions, may magnify a strategy's gains or losses. Because many derivatives have a leverage component, adverse changes in the value or level of the underlying asset, reference rate or index can result in a loss substantially greater than the amount invested in the derivative itself. Certain derivatives have the potential for unlimited loss, regardless of the size of the initial investment.

**LIBOR Risk.** By July of 2023, panel banks will cease providing submissions for the calculation of remaining tenors of the U.S. Dollar London Inter-bank Offered Rate ("LIBOR"). In light of this eventuality, public and private sector industry initiatives are currently underway to identify new or alternative reference rates to be used in place of LIBOR and to transition LIBOR-based instruments to the replacement rates. The secured overnight financing rate ("SOFR") has been recommended by Federal Reserve and identified as the "Board-selected benchmark replacement" in the Adjustable Interest Rate (LIBOR) Act enacted in March 2022 and the related implementing regulation adopted in December 2022. SOFR measures the cost of overnight borrowings through repurchase agreement transactions collateralized with U.S. Treasury securities. As a result, SOFR is fundamentally different than LIBOR and could behave differently, and be more volatile, than LIBOR. There is no assurance that the composition or characteristics of any alternative reference rate will be similar to or produce the same value or economic experience or results as LIBOR or that it will have the same volume or liquidity as LIBOR has, which could adversely affect the volatility, value, liquidity, performance and yield of LIBOR-based instruments, such as loans, derivatives, fixed income, floating rate securities or other instruments. In addition, because SOFR is recommended, but not required, other rates could be adopted that would result in similar transition risks.

Accounts that now or at any time prior to the transition in cessation of LIBOR in July 2023 undertake transactions in, or otherwise hold, instruments that are valued using or otherwise linked to LIBOR rates or other interbank offered rates ("IBORs"), or enter into or otherwise maintain contracts which determine payment obligations by reference to LIBOR or other IBOR rates, could experience losses or otherwise be adversely affected as a result of the transition. Further, accounts that hold such instruments, now or at any time prior to the transition in 2023, will incur costs in connection with closing out or otherwise selling those positions and entering into new trades or positions (which could be higher than usual as a result of the transition), and those transactions could be affected at disadvantageous times, prices or values or otherwise under disadvantageous circumstances. If an account holds LIBOR-based instruments that require amendment or restructuring, the amendment or restructuring process could be difficult, costly and/or time consuming and could result in litigation if no agreement can be reached. Replacing LIBOR with an alternative reference rate in the transaction documents or similar documents for the instrument also could require repricing of the instrument, which could have an adverse economic impact on accounts that hold such instruments. Further, comparable or otherwise suitable replacement investments or positions might not be available at all or could be available only with disadvantageous terms or prices.

Uncertainty as to the nature of alternative reference rates and spreads, and uncertainty as to other changes and reforms to LIBOR could result in a sudden or prolonged increase or decrease in the value or liquidity of LIBOR-based instruments. These changes could impact the availability and cost of investments (as well as related hedging instruments), as well as the availability of capital and the cost of borrowing capital, which could result in

increased interest expense and cost of capital for accounts. Any such increased costs or reduced profits as a result of the foregoing could adversely affect the liquidity, value and performance of accounts.

**Liquidity risk.** When there is little or no active trading market for specific types of securities, it can become more difficult to sell the securities at or near their perceived value. In such a market, the value of such securities and the value of your investment may fall dramatically, even during periods of declining interest rates. Liquidity risk also exists when a particular derivative instrument is difficult to purchase or sell. If a derivative transaction is particularly large or if the relevant market is illiquid (as is the case with many privately negotiated derivatives), it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price. The secondary market for certain municipal bonds tends to be less well developed or liquid than many other securities markets, which may adversely affect the strategy's ability to sell such municipal bonds at attractive prices. Trading limits (such as "daily price fluctuation limits" or "speculative position limits") on futures trading imposed by regulators and exchanges could prevent the prompt liquidation of unfavorable futures positions and result in substantial losses. In addition, the ability to execute futures contract trades at favorable prices if trading volume in such contracts is low may be limited. It is also possible that an exchange or a regulator may suspend trading in a particular contract, order immediate liquidation and settlement of a particular contract or order that trading in a particular contract be conducted for liquidation only. Therefore, in some cases, the execution of trades to invest or divest cash flows may be postponed which could adversely affect the withdrawal of assets and/or performance.

**Market and credit risk.** Ginnie Maes and other securities backed by the full faith and credit of the United States are guaranteed only as to the timely payment of interest and principal when held to maturity. The market prices for such securities are not guaranteed and will fluctuate. Privately issued mortgage-related securities also are subject to credit risks associated with the underlying mortgage properties. These securities may be more volatile and less liquid than more traditional, government-backed debt securities.

**Market risk.** The market value of a security may decline due to general market conditions that are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the outlook for corporate earnings, outbreaks of an infectious disease, changes in interest or currency rates or adverse investor sentiment generally. A security's market value also may decline because of factors that affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry. Global economies and financial markets are becoming increasingly interconnected, and conditions and events in one country, region or financial market may adversely impact issuers in a different country, region or financial market. These risks may be magnified if certain events or developments adversely interrupt the global supply chain; in these and other circumstances, such risks might affect companies world-wide.

**Micro-cap company risk.** Micro-cap stocks may offer greater opportunity for capital appreciation than the stocks of larger and more established companies; however, they also involve substantially greater risks of loss and price fluctuations. Micro-cap companies carry additional risks because their earnings and revenues tend to be less predictable (and some companies may be experiencing significant losses) and their share prices tend to be more volatile and their markets less liquid than companies with larger market capitalizations. Micro-cap companies may be newly formed or in the early stages of development, with limited product lines, markets or financial resources, and may lack management depth. In addition, there may be less public information available about these companies. The shares of micro-cap companies tend to trade less frequently than those of larger, more established companies, which can adversely affect the pricing of these securities and our ability to sell these securities. Also, it may take a long time before the value of your investment realizes a gain, if any, on an investment in a micro-cap company.

**Mortgage-related securities risk.** Mortgage-related securities are complex derivative instruments, subject to credit, prepayment and extension risk, and may be more volatile, less liquid and more difficult to price accurately, than more traditional fixed-income securities. The strategy is subject to the credit risk associated with these securities, including the market's perception of the creditworthiness of the issuing federal agency, as well as the credit quality of the underlying assets. Although certain mortgage-related securities are guaranteed as to the timely payment of interest and principal by a third party (such as a U.S. government agency or instrumentality with respect to government-related mortgage-backed securities) the market prices for such securities are not guaranteed and will fluctuate. Declining interest rates may result in the prepayment of higher yielding underlying mortgages and the reinvestment of proceeds at lower interest rates can reduce the strategy's potential price gain in response to falling interest rates, reduce the strategy's yield or cause the strategy's share price to fall (prepayment risk). Rising interest rates may result in a drop in prepayments of the underlying mortgages, which would increase the strategy's sensitivity to rising interest rates and its potential for price declines (extension risk).

**Municipal lease risk.** Because municipal leases generally are backed by revenues from a particular source or depend on future appropriations by municipalities and are not obligations of their issuers, they are less secure than most municipal obligations.

**Municipal securities risk.** The amount of public information available about municipal securities is generally less than that for corporate equities or bonds. Special factors, such as legislative changes and state and local economic and business developments, may adversely affect the yield and/or value of the strategy's investments in municipal securities. Other factors include the general conditions of the municipal securities market, the size of the particular offering, the maturity of the obligation and the rating of the issue. Changes in economic, business or political conditions relating to a particular municipal project, municipality or state, territory or possession of the United States in which the strategy invests may have an impact on the strategy's performance.

**Non-diversification risk.** A non-diversified strategy may invest a relatively high percentage of its assets in a limited number of issuers. Therefore, the strategy's performance may be more vulnerable to changes in the market value of a single issuer or group of issuers and more susceptible to risks associated with a single economic, political or regulatory occurrence than a diversified strategy.

**Options risk.** Options positions may include both long positions, where a portfolio is the holder of put or call options, as well as short positions, where a portfolio is the seller (writer) of an option. Option techniques can involve a relatively higher level of risk. The expiration of unexercised long options effectively results in loss of the entire cost, or premium paid, for the option. Conversely, the writing of an uncovered put or call option can involve, similar to short selling, a theoretically unlimited risk of an increase in a portfolio's cost of selling or purchasing the underlying securities in the event of exercise of the option.

**Participatory notes risk.** Investing in participatory notes involves the same risks associated with a direct investment in the shares of the companies the notes seek to replicate. However, the performance results of participatory notes will not replicate exactly the performance of the issuers or markets that the notes seek to replicate due to transaction costs and other expenses. In addition, participatory notes are subject to counterparty risk since the notes constitute general unsecured contractual obligations of the issuing financial institutions and the holder is relying on the creditworthiness of such institutions and has no rights under the participatory notes against the issuers of the stocks underlying such notes. Participatory notes may be considered illiquid.

**Portfolio turnover risk.** A strategy may engage in short-term trading, which could produce higher transaction costs and taxable distributions and lower the strategy's after-tax performance.

**Preferred stock risk.** Preferred stock is a class of a capital stock that typically pays dividends at a specified rate. Preferred stock is generally senior to common stock, but subordinate to debt securities, with respect to the payment of dividends and on liquidation of the issuer. The market value of preferred stock generally decreases when interest rates rise and is also affected by the issuer's ability to make payments on the preferred stock.

**Prepayment and extension risk.** When interest rates fall, the principal on mortgage-backed and certain asset-backed securities may be prepaid. The loss of higher yielding underlying mortgages and the reinvestment of proceeds at lower interest rates can reduce the strategy's potential price gain in response to falling interest rates, reducing the value of your investment. When interest rates rise, the effective duration of the strategy's mortgage-related and other asset-backed securities may lengthen due to a drop in prepayments of the underlying mortgages or other assets. This is known as extension risk and would increase the strategy's sensitivity to rising interest rates and its potential for price declines.

**Quantitative model risk.** For certain strategies, we rely on quantitative models that utilize mathematical and statistical formulas designed to select a combination of positions that reflect forward-looking estimates of return and risk. There can be no assurance that a particular quantitative model has been designed to appropriately account for all variables that may affect the performance of a particular investment strategy. Any errors in the design, input or implementation of the quantitative models used by us could have a material adverse effect on the performance of a particular investment strategy. Due to the foregoing risks and the inherent complexities in quantitative models, it may be very difficult or impossible to detect the source of any weakness or failing in a quantitative model before any losses are incurred.

**Real estate sector risk.** When a strategy's investments are concentrated in the securities of companies principally engaged in the real estate sector, the value of your investment will be affected by factors particular to the real estate sector and may fluctuate more widely than that of a strategy which invests in a broader range of industries. The securities of issuers that are principally engaged in the real estate sector may be subject to risks similar to those associated with the direct ownership of real estate. These include: declines in real estate values, defaults by mortgagors or other borrowers and tenants, increases in property taxes and operating expenses, overbuilding, fluctuations in rental income, changes in interest rates, possible lack of availability of mortgage funds or financing, extended vacancies of properties, changes in tax and regulatory requirements (including zoning laws and environmental restrictions), losses due to costs resulting from the clean-up of environmental problems, liability to third parties for damages resulting from environmental problems and casualty or condemnation losses. In addition, the performance of the economy in each of the regions and countries in which the real estate owned by a portfolio company is located affects occupancy, market rental rates and expenses and, consequently, has an impact on the income from such properties and their underlying values.

In addition to the risks which are linked to the real estate sector in general, Real Estate Investment Trusts ("REITs") are subject to additional risks. Equity REITs, which invest a majority of their assets directly in real property and derive income primarily from the collection of rents and lease payments, may be affected by changes in the value of the underlying property owned by the trust, while mortgage REITs, which invest the majority of their assets in real estate mortgages and derive income primarily from the collection of interest payments, may be affected by the quality of any credit extended. Further, REITs are highly dependent upon management skill and often are not diversified. REITs also are subject to heavy cash flow dependency and to defaults by borrowers or lessees. In

addition, REITs possibly could fail to qualify for favorable tax treatment under applicable U.S. or foreign law and/or to maintain exempt status under the Investment Company Act of 1940, as amended. Certain REITs provide for a specified term of existence in their trust documents. Such REITs run the risk of liquidating at an economically disadvantageous time.

**Short sale risk.** A strategy may make short sales, which involves selling a security it does not own in anticipation that the security's price will decline. Short sales expose the strategy to the risk that it will be required to buy the security sold short (also known as "covering" the short position) at a time when the security has appreciated in value, thus resulting in a loss to the strategy. Short positions in stocks involve more risk than long positions in stocks because the maximum sustainable loss on a stock purchased is limited to the amount paid for the stock plus the transaction costs, whereas there is no maximum attainable price on the shorted stock. In theory, stocks sold short have unlimited risk. The strategy may not always be able to close out a short position at a particular time or at an acceptable price. The strategy may not always be able to borrow a security the strategy seeks to sell short at a particular time or at an acceptable price. Thus, there is a risk that the strategy may be unable to fully implement its investment strategy due to a lack of available stocks or for some other reason. It is possible that the market value of the securities the strategy holds in long positions will decline at the same time that the market value of the securities the strategy has sold short increases, thereby increasing the strategy's potential volatility.

**Small and mid-size company risk.** Small and mid-size companies carry additional risks because the operating histories of these companies tend to be more limited, their earnings and revenues less predictable (and some companies may be experiencing significant losses) and their share prices more volatile than those of larger, more established companies. The shares of smaller companies tend to trade less frequently than those of larger, more established companies, which can adversely affect the pricing of these securities and the strategy's ability to sell these securities. These companies may have limited product lines, markets or financial resources, or may depend on a limited management group. Some of the strategy's investments will rise and fall based on investor perception rather than economic factors. Other investments are made in anticipation of future products, services or events whose delay or cancellation could cause the stock price to drop.

**Social investment risk.** Socially responsible and sustainability investment criteria may limit the number of investment opportunities available to a strategy and, as a result, at times the strategy's returns may be lower than those strategies that are not subject to such special investment considerations.

**State-specific risk.** A state-specific strategy is subject to the risk of that state's economy, and the revenues underlying its municipal bonds, may decline. Investing primarily in a single state makes the strategy more sensitive to risks specific to the state and may magnify other risks.

**Stock investing risk.** Stocks generally fluctuate more in value than bonds and may decline significantly over short time periods. There is the chance that stock prices overall will decline because stock markets tend to move in cycles, with periods of rising prices and falling prices. The market value of a stock may decline due to general market conditions that are not related to the particular company, such as real or perceived adverse economic conditions, changes in the outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. A security's market value also may decline because of factors that affect a particular industry, such as labor shortages or increased production costs and competitive conditions within an industry or factors that affect a particular company, such as management performance, financial leverage and reduced demand for the company's products or services.



**Stock selection risk.** Certain indexing strategies hold fewer securities than the applicable index. Owning fewer securities and having the ability to purchase companies not listed in the index can cause the strategy to underperform the index.

**Sustainable Strategy Investment Risk.** Where the strategy follows a sustainable investment approach, this could cause it to perform differently than strategies that have a similar objective but which do not integrate sustainable investment criteria when selecting securities. These strategies could have limited exposure to some companies, industries or sectors as a result and may forego certain investment opportunities, or dispose of certain holdings, that do not align with their sustainability criteria. As a result, accounts that follow a sustainable investment approach could underperform similar accounts that do not follow a sustainable investment approach. As investors can differ in their views of what constitutes a sustainable investment, these strategies could also invest in assets that do not reflect the beliefs and values of any particular investor. The regulatory framework applying to sustainable products and sustainable investing is rapidly evolving. As such, the aims and investments of the sustainable strategies may be subject to change over time in order to comply with new requirements or applicable regulatory guidance.

**Swap Agreements.** These transactions are entered into in an attempt to obtain a particular return when it is considered desirable to do so, possibly at a lower cost to a portfolio than if the portfolio had invested directly in an instrument that yielded that desired return. Swap agreements are two party contracts entered into primarily by institutional investors for periods ranging from a few weeks to more than one year. In a standard "swap" transaction, two parties agree to exchange the returns (or differentials in rates of return) earned or realized on particular predetermined investments or instruments, which may be adjusted for an interest factor. The gross returns to be exchanged or "swapped" between the parties are generally calculated with respect to a "notional amount," i.e., the return on or increase in value of a particular dollar amount invested at a particular interest rate, in a particular foreign currency or in a "basket" of securities representing a particular index. Forms of swap agreements include interest rate caps, under which, in return for a premium, one party agrees to make payments to the other to the extent that interest rates exceed a specified rate, or "cap"; interest rate floors, under which, in return for a premium, one party agrees to make payments to the other to the extent that interest rates fall below a specified rate, or "floor"; and interest rate collars, under which a party sells a cap and purchases a floor or vice versa in an attempt to protect itself against interest rate movements exceeding given minimum or maximum levels. A swap option is a contract that gives a counterparty the right (but not the obligation) to enter into a new swap agreement or to shorten, extend, cancel or otherwise modify an existing swap agreement, at some designated future time on specified terms.

**Systemic risk.** World events and/or the activities of one or more large participants in the financial markets and/or other events or activities of others could result in a temporary systemic breakdown in the normal operation of financial markets. Such events could result in a portfolio losing substantial value caused predominantly by liquidity and counterparty issues which could result in a portfolio incurring substantial losses.

**Tax risk.** To be tax-exempt, municipal bonds generally must meet certain regulatory requirements. If any such municipal bond fails to meet these regulatory requirements, the interest received by the strategy from its investment in such bonds and distributed to you will be taxable.

**Technology company risk.** The technology sector has been among the most volatile sectors of the stock market. If the strategy's investments are concentrated in the technology sector, its performance can be significantly affected by developments in that sector. Technology companies, especially small-cap technology companies,

involve greater risk because their revenue and/or earnings tend to be less predictable (and some companies may be experiencing significant losses) and their share prices tend to be more volatile. Certain technology companies may have limited product lines, markets or financial resources, or may depend on a limited management group. In addition, these companies are strongly affected by worldwide technological developments and their products and services may not be economically successful or may quickly become outdated. Investor perception may play a greater role in determining the day-to-day value of tech stocks than it does in other sectors. Investments made in anticipation of future products and services may decline dramatically in value if the anticipated products or services are delayed or cancelled. The risks associated with technology companies are magnified in the case of small-cap technology companies. The shares of smaller technology companies tend to trade less frequently than those of larger, more established companies, which can have an adverse effect on the pricing of these securities and on a strategy's ability to sell these securities.

**Third Party Services.** We rely on data provided by third-party vendors as part of processes involved in providing investment advisory services to our clients. These processes include, but are not limited to, index creation, pricing and valuation of securities, managing client restrictions or exclusion lists, processing corporate actions and collateral management. We do not take responsibility for any errors that result from inaccurate and/or untimely data provided by third-party vendors. Moreover, there may be time lags associated with inputting or implementing vendor data that may impact certain processes and thereby impact our advisory services and/or your investments. For example, an account may be temporarily invested in a newly restricted security until updated restricted securities data is received and implemented.

**Trading Limitations.** For all securities, including options, listed on a public exchange, the exchange generally has the right to suspend or limit trading under certain circumstances. These suspensions or limits could render certain strategies difficult to execute or continue and subject a portfolio to loss.

**Unlisted financial instruments risk.** Unlisted securities may involve higher risks than listed securities. Because of the absence of any trading market for unlisted securities, it may take longer to liquidate, or it may not be possible to liquidate, positions in unlisted securities than would be the case for publicly traded securities. Companies whose securities are not publicly traded may not be subject to public disclosure and other investor protection requirements applicable to publicly traded securities.

**Value stock risk.** Value stocks involve the risk that they may never reach their expected market value, either because the market fails to recognize the stock's intrinsic worth or the expected value was misgauged. They also may decline in price even though in theory they are already undervalued.

**Volcker Rule risk.** If Bank-controlled entities invest in a private fund and are subsequently required to divest some or all of their investments to meet the 3% Fund Limit (Bank-controlled entities could be required to limit their aggregate ownership interests in the fund to no more than 3% by (i) July 21, 2015, if the fund was established after December 31, 2013, or (ii) July 21, 2017, if the fund was established on or before December 31, 2013) or 3% Aggregate Limit (the aggregate investment in the fund and all "covered funds" by all Bank-controlled entities could be capped at 3% of the Bank's Tier 1 capital), then this could have ramifications for the fund and its investors. The fund could be forced to sell portfolio holdings to raise cash for liquidations. This could result in the sale of portfolio holdings at inopportune times or at below-market prices. In addition, forced sales of portfolio holdings could increase brokerage and transfer costs and expenses, result in lost investment opportunities and generate tax consequences. However, in the case of any such divestment, we would seek to minimize any adverse impact to the fund.

**Warrant and rights risk.** There are certain risks involved in trading warrants—including time decay. Time decay: “Time value” diminishes as time goes by—the rate of decay increases the closer to the date of expiration. The value of the certificate can drop to zero. If that were to happen before it is exercised, the warrant would lose any redemption value. Additionally, warrants and rights may become worthless if the price of the stock does not rise above the exercise price by the expiration date. This increases the market risks of warrants as compared to the underlying security.



## **ITEM 9: DISCIPLINARY INFORMATION**

From time to time, we and/or the Bank or other affiliates of the Firm may be involved in regulatory examinations or litigation that arises in the ordinary course of our business. At this time, we are not aware of any additional regulatory matters or litigation that we believe would be material to an evaluation of our advisory business or the integrity of our management.

Neither the Firm nor any of its executive officers, members of its committees or other “management” as defined in Form ADV has been subject to the legal or disciplinary events related to this Item or otherwise is required to disclose any event required by this Item.

## **ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

### **Registration under the Commodity Exchange Act**

The Firm is registered as a Commodity Pool Operator (“CPO”) and Commodity Trading Advisor (“CTA”) and as a member of the National Futures Association (the “NFA”). In connection with providing services as a CPO/CTA, our sales and certain client service and support employees will be registered with the NFA as Associated Persons and Principals of the Firm.

#### **Foreign Registrations**

The Firm is not currently registered with any foreign financial regulatory authorities.

### **Affiliated Financial Services**

#### **Newton Entities**

NIM is authorized and regulated by the UK Financial Conduct Authority and is registered as an investment adviser by the US Securities and Exchange Commission. NIMJ is authorized and regulated by the Japan Financial Services Agency (JFSA). The Firm, NIM and NIMJ are collectively referred to as the “Newton Investment Management Group” or “Newton”. NIM, NIMJ and other affiliates of BNY Mellon provide a number of different services to the Firm. NIMNA also acts as a participating affiliate in respect of providing certain investment management related services to NIM and NIMJ.

#### **BNY Mellon is a Global Financial Services Company**

BNY Mellon is a global financial services company providing a comprehensive array of financial services (including asset management, wealth management, asset servicing, clearing and execution services, issuer services and treasury services) through a world-wide client focused team that enables institutions and individuals to manage and service their financial assets. BNY Mellon Investment Management is the umbrella designation for BNY Mellon’s affiliated investment management firms, wealth management business and global distribution companies and is responsible, through various subsidiaries, for U.S. and non-U.S. retail, intermediary and institutional distribution of investment management and related services.

We enter into transactions with unaffiliated counterparties or third-party service providers who use affiliates of the Firm to execute or clear such transactions. Additionally, when we effect transactions in ADRs or other securities, the security issuers or their service providers in turn use affiliates for support services. Services provided by our affiliates to such unaffiliated counterparties, third party service providers and/or issuers may include, for example, clearance of trades, purchases or sales of securities serving as depositary bank to issuers of ADRs, providing foreign exchange services in connection with dividends and other distributions from foreign issuers to owners of ADRs, or other transactions not contemplated by us. Although one of our affiliates receives compensation for engaging in these transactions and/or providing services, the decision to use or not use an affiliate of ours is made by the unaffiliated counterparty, third party service provider or issuer. Further, we will likely be unaware that the affiliate is being used to enter into such transaction or service.

BNY Mellon and/or other affiliates of the Firm gather data from us about our business operations, including information about holdings within client portfolios, which is required for regulatory filings to be made by us or BNY Mellon or other affiliates of the Firm (e.g., reporting beneficial ownership of equity securities) or for other compliance, financial, legal or risk management purposes, pursuant to policies and procedures of the Firm or its Product Lines, the Bank or other affiliates. This data is deemed confidential and procedures are followed to ensure that any information is utilized solely for the purposes intended.

### **BNY Mellon's Status as a Bank Holding Company**

BNY Mellon and its direct and indirect subsidiaries, including the Firm, are subject to (1) certain U.S. banking laws, including the Bank Holding Company Act of 1956, as amended (the "BHCA"), (2) regulation and supervision by the Board of Governors of the Federal Reserve System (the "Federal Reserve") and (3) the provisions of, and regulations under, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"). The BHCA, the Dodd-Frank Act, other applicable banking laws and the regulatory agencies, including the Federal Reserve, that interpret and administer these laws, may restrict (1) the transactions and relationships among BNY Mellon, its affiliates (including us) and our clients, and (2) our investments, transactions and operations. For example, the BHCA regulations applicable to BNY Mellon and us can restrict our ability to make certain investments or the size of certain investments, impose a maximum holding period on some or all of our investments, and restrict our ability to participate in the management and operations of the companies in which we invest. In addition, certain BHCA regulations can require aggregation of the positions owned, held or controlled by related entities. Thus, in certain circumstances, positions held by BNY Mellon and its affiliates (including us) for client and proprietary accounts may need to be aggregated and may be subject to a limitation on the amount of a position that may be held. Any such limitations can have an adverse effect on our ability to manage client investment portfolios. For example, depending on the percentage of a company we and our affiliates (in the aggregate) control at any given time, the limits may: (1) restrict our ability to invest in that company for certain clients or (2) require us to sell certain client holdings of that company when it may be undesirable to take such action. Additionally, in the future BNY Mellon or the Bank, in their sole discretion and without notice, engage in activities affecting us in order to comply with the BHCA, the Dodd-Frank Act or other legal requirements applicable to (or reduce or eliminate the impact or applicability of any bank regulatory or other restrictions on) us and accounts managed by us and our affiliates.

### **The Volcker Rule**

The Dodd-Frank Act includes provisions that have become known as the "Volcker Rule," which restrict bank holding companies, such as BNY Mellon and its subsidiaries (including us) from (i) sponsoring or investing in a private equity fund, hedge fund or otherwise "covered fund", with the exception, in some instances, of maintaining a de minimis investment, subject to certain other conditions and/or exceptions, (ii) engaging in proprietary trading, and (iii) entering into certain transactions with affiliated covered funds.

The Volcker Rule generally prohibits certain transactions involving an extension of credit or other type of transaction as set forth in applicable regulations between BNY Mellon and its affiliates, on the one hand, and "covered funds" managed or sponsored by BNY Mellon and/or its affiliates (including us), on the other hand, subject to certain exemptions pursuant to which such extensions of credit are permitted. BNY Mellon affiliates provide securities clearance and settlement services to broker-dealers on a global basis. The operational mechanics of the securities clearance and settlement process can result in an unintended intraday extension of credit between the securities clearance firm and a "covered fund." As a result, unless an applicable exemption is



available, we may be restricted from using a BNY Mellon affiliate as custodian or in other capacities for covered funds as well as be restricted in executing transactions for certain funds through broker-dealers that utilize a BNY Mellon affiliate as their securities clearance firm. Such restrictions could limit the covered fund's selection of service providers and prevent us from executing transactions through broker-dealers we would otherwise use in fulfilling our duty to seek best execution. The Volcker Rule was amended in 2020 to include exemptions that permit a broader range of transactions between BNY Mellon and its affiliates and relevant covered funds. BNY Mellon intends to rely on such exemptions to the extent it deems appropriate.

### **Affiliated Placement Agents**

We have affiliated “placement agents,” including, without limitation, BNYMSC, BNY Mellon EMEA, the Bank and BNY Mellon Investment Adviser, Inc., BNY Mellon Asset Management Canada Limited and other BNY Mellon entities who solicit persons to invest in various products including our separate account products for which we act as investment manager. Certain of the Firm's Private Funds have entered into agreements with certain of these placement agents to pay them commissions or fees for such solicitations. We or our affiliates are solely responsible for the payment of these commissions and fees—they will not be borne by the private funds and its investors. We or our affiliates pay these commissions and fees out of our profits, and these payments do not increase the fees paid by the Private Fund's investors. These financial incentives may cause the placement agents and their employees and/or salespersons to steer investors toward those private funds that will generate higher commissions and fees. Nonetheless, these financial arrangements present a conflict of interest because they provide a financial incentive to the placement agents and their employees and/or sales representatives to direct investors toward those separate account models that will generate higher commissions and fees. Please see Item 14 of this Brochure for more information on the compensation arrangements related to client referrals.

NIMNA dedicated sales and client service personnel are registered representatives of our affiliate, BNYMSC, a registered investment adviser under the Investment Advisers Act of 1940, as amended, a registered broker-dealer under the Securities Exchange Act of 1934, as amended, and a member of the Financial Industry Regulatory Authority (FINRA). In their capacity as registered representatives of BNYMSC, these employees sell and provide services regarding strategies managed by us. There is a financial arrangement in place between the Firm, NIM and BNYMSC with respect to these services.

A firewall exists with any BNY Mellon affiliated broker-dealers either physically or via procedures that prevent the Firm's staff (including staff who may be registered representatives of BNYMSC) from providing access or certain information with respect to funds sub-advised by us.

### **Affiliated Revenue Share Arrangements**

We have affiliated revenue share agreements in place with other BNY Mellon entities. Under such arrangements, these entities solicit persons to invest in various funds for which we provide investment sub-advisory services, separate account strategies and sometimes also provide other administrative services. In certain instances, we enter into revenue sharing arrangements with affiliates where we either receive a portion of the fee or bill the entire fee to the client and reimburse the affiliate. We or our affiliates are solely responsible for the payment of these fees. They will not be borne by clients or fund investors (directly or indirectly) and come out of our own profits. Please see Item 14 for more information on the compensation arrangements related to client referrals.



### **Affiliated Service Providers**

In addition, to the extent permitted under applicable law, placement agents and their respective affiliates provide brokerage and certain other financial and securities services to us, our affiliates, or related private funds. Such services, if any, will be provided at competitive rates. BNY Mellon is also affiliated with service providers, distributors and consultants that provide services and may receive fees from BNY Mellon or its affiliates in connection with such services, which may incentivize such persons to distribute interests in a private fund or other BNY Mellon affiliated products.

Certain corporate services, such as human resources, legal and finance, are provided to us by BNY Mellon or one of its affiliates. We have entered into an agreement with our affiliate, BNY Investment Management Services, LLC to provide certain operational and systems support. In addition, certain of our business support functions may be performed by employees of an overseas affiliate, BNY Mellon International Operations (India) Private Limited, located in Pune and Chennai, India. The employees of this affiliate performing these support functions are dedicated solely to providing services to the Firm (through the affiliate). In addition, as noted in Item 4 of this Brochure, employees of affiliates may provide investment related services as “associated persons” of the Firm.

The Firm also engages in sub-advisory relationships with other BNY Mellon affiliated companies, including BNY Mellon EMEA, BNYIM Singapore, BNY Mellon Investment Management Hong Kong (“BNYM IM Hong Kong”) Limited and the Bank, where the Firm is engaged by such affiliates to provide sub-advisory services.

### **Dual Officers and Employees**

Certain employees of the Firm are also officers of one or more affiliates of the Firm, and certain employees of our affiliates are officers of the Firm, (“dual officers”) for the purpose of performing investment management and other functions.

When the Firm’s personnel act as dual officers or employees of the Bank in managing portfolios, the Firm receives compensation. In certain instances, we may enter into revenue sharing arrangements with affiliates where we may receive a portion of the fee or bill the entire fee to the client and reimburse the affiliate for amounts in excess of our revenue share. Please refer to Item 5 for fee descriptions and Item 8 for investment strategy descriptions.

The personnel responsible for trade execution for the Firm are employees of xBK LLC (“xBK”) an indirect subsidiary of BNY Mellon. Such trading personnel have been appointed dual officers of the Firm and provide trade execution services to the Firm in this capacity. Trading personnel could also act as dual officers of other affiliates of BNY Mellon.

When we share personnel with our affiliates pursuant to these arrangements, such personnel will be subject to the Firm’s compliance policies and procedures when acting on behalf of the Firm, and subject to the policies and procedures of the affiliate when acting on behalf of that affiliate. Please refer to Item 6 for a description of conflicts of interest relating to dual officer arrangements.

### **Other Relationships**

From time to time, we may use investment management related services provided to us by “participating affiliates” (as such term is used in relief granted by the staff of the SEC in a series of no-action letters allowing a registered investment adviser to use portfolio management and trading and research services and resources provided by a



foreign affiliate subject to the supervision of the registered adviser). Prior to using such services we will enter into agreements with such affiliated asset management companies (the “Participating Affiliates”), pursuant to which the Participating Affiliates are considered participating affiliates and one or more of their employees are deemed to be “associated persons” of the Firm. In those capacities, the Participating Affiliates and one or more of their employees (subject to the Firm’s supervision) may provide portfolio management, research, client support, trading and related services in connection with our management of client accounts. The Participating Affiliates will act in accordance with the series of no-action letters referred to above requiring the Participating Affiliates to be subject to the supervision of the Firm and the SEC in the manner contemplated in such no-action letters. The Participating Affiliates have agreed to submit to the jurisdiction of U.S. courts for actions arising under the U.S. securities laws in connection with the investment management related activities provided for our U.S. clients and have appointed an appropriate agent for service of process in accordance with, and subject to the requirements of, such no-action letters. Under these arrangements, the Firm pays the Participating Affiliates compensation for the services of the associated persons.

In addition, BNY Mellon personnel, including certain of our employees, have board, advisory or other relationships with issuers, distributors, consultants, and others that have investments in a private fund and/or related funds or that may recommend investments in a private fund or distribute interests in a private fund. To the extent permitted by applicable law, BNY Mellon and its affiliates, including the Firm and its personnel, from time to time make charitable contributions to institutions, including those that have relationships with investors or personnel of investors. As a result of the relationships and arrangements described in this paragraph, placement agents, consultants, distributors and other parties may have conflicts associated with their promotion of a private fund, or other dealings with a private fund, that create incentives for them to promote a private fund.

Some of our clients retain consulting firms to assist them in selecting investment managers. Some consulting firms provide services to both those who retain investment managers and to investment management firms and in some instances, we provide separate advisory services directly or indirectly to employees of such consulting firms. From time to time we pay to attend conferences sponsored by consulting firms and/or purchase services from consulting firms where we believe those services will be useful to us in operating our investment management business. We do not pay referral fees to consultants. However, our clients and prospective clients should be aware that consulting firms often have business relationships with investment management firms that they recommend to their clients.

We have adopted a Code of Conduct that addresses these types of relationships and the conflicts of interest they may present, including with respect to the provision and receipt of gifts and entertainment. Please see Item 11 of this Brochure for further information about our Code of Conduct.

In its capacity as a nondiscretionary investment adviser, the Firm may provide a limited number of research reports and approved credit lists to certain affiliates, including but not limited to BNY Mellon Investment Adviser, Inc., Mellon Investments (UK) Limited and BNYIM Singapore for their use in fulfilling their investment management responsibilities to their clients, including reports and verbal updates covering securities which may also be held in client accounts managed by the Firm. Such reports do not include buy/sell/hold recommendations.

BNY Mellon, among several other leading investment management firms, has a minority equity interest in Kezar Markets, LLC (f/k/a Titan Parent Company, LLC), which owns Kezar Trading, LLC (f/k/a Luminex Trading and Analytics LLC) (“Kezar”), a registered broker-dealer under the Exchange Act that operates two alternative trading systems for securities (the “Alternative Trading Systems”). Transactions for clients for which we serve as adviser



or sub-adviser may be executed through the Alternative Trading Systems. We and BNY Mellon disclaim that either is an affiliate of Kezar.

### **Affiliated Broker-Dealers and Investment Advisers**

We are affiliated with a significant number of advisers and broker-dealers. Please see Form ADV, Part 1A - Schedule D, Section 7.A for a list of our affiliated advisers and broker-dealers.

Several of our investment adviser affiliates have, collectively, a significant number of investment-related private funds for which a related person serves as sponsor, general partner or managing member (or equivalent), respectively. Please refer to the Form ADV, Part 1A – Schedule D, Section 7.B for each of our affiliated investment advisers for information regarding such firm’s private funds (if applicable) and such firm’s Form ADV, Part 1A – Schedule D, Section 7.A for information regarding related persons that serve in a sponsor, general partner or managing member capacity (if applicable).

Where we select the broker to effect purchases or sales of securities for client accounts, we use either an affiliated or unaffiliated broker (unless otherwise restricted by an agreement, law or regulation). We have an incentive to enter into transactions with an affiliated broker-dealer, in an effort to direct more commission dollars to the affiliate. However, we have broker selection policies in place that require our selection of a broker-dealer to be consistent with duty to seek best execution, and subject to any client and regulatory proscriptions. Please see Item 12 below for more information on our broker selection process.

Limitations on our use of affiliated broker-dealers could limit our ability to engage in certain securities transactions and to take advantage of certain market opportunities.

Certain unaffiliated broker-dealers that we use to execute trades for our clients use a broker-dealer affiliated with us to clear those trades. In such cases, the clearing broker receives a clearance fee negotiated and paid by the executing broker-dealer. The decision to use an affiliate of ours in these circumstances is made by the unaffiliated executing broker-dealer, and we have no influence over whether a broker-dealer we select to execute client trades clears through one of our affiliates, or the related financial arrangement between them. In addition, we are typically unaware that the executing broker dealer has chosen to use one of our affiliates to clear such trades.

We have arrangements with the following affiliated investment advisers (including arrangements whereby we or they provide investment management or sub-advisory services which may be on a discretionary or non-discretionary basis): BNY Mellon EMEA, BNYM IM Hong Kong, BNY Mellon Investments Limited, BNY Mellon Asset Management Japan Limited, BNY Mellon IM Korea Limited, BNY Mellon Asset Management Canada Limited, BNY Mellon, National Association, NIM, Mellon, the Bank and BNY Mellon Investment Adviser, Inc.. In addition, some of our affiliates provide services, such as client service, and may be compensated pursuant to a service level agreement. These include sub-advisory arrangements where the Firm appoints Mellon with respect to certain portfolio management obligations relating to index tracking portfolios. There are no additional fees associated with this delegation arrangement.

We may pay referral fees to our affiliates and employees of our affiliates for referrals that result in additional investment management business. Please see earlier sections of this Item 10 and Item 14 of this Brochure for further information.



We may be prohibited or limited from effecting transactions for a client because of rules in the marketplace, foreign laws or our own policies and procedures. In certain cases, we may face further limitations because of aggregation issues due to our relationship with affiliated investment management firms. Please also see Item 12 below for a discussion of trade aggregation issues.

### **Affiliated Underwriters**

Our broker-dealer affiliates occasionally act as an underwriter or as a member of the underwriting syndicate for certain new issue securities, which presents a conflict of interest because it creates an incentive for us to purchase these new issue securities, in an effort to provide additional fees to the broker-dealer affiliate.

BNY Mellon has established a policy regarding purchases of securities in an offering in which an affiliate acts as an underwriter or as a member of the underwriting syndicate. In compliance with applicable banking and securities regulations, and ERISA regulations, we may purchase on behalf of our clients securities in an offering in which an affiliate is acting as an underwriter or as a member of the underwriting syndicate during the syndication period, as long as requirements of the policy and compliance with certain criteria are met. The policy prohibits direct purchases from an affiliate for any fiduciary account under any circumstances (although an affiliate acting as an underwriter or as a member of the syndicate may benefit from the purchase through the receipt of a fee or other compensation).

The Bank is frequently engaged to serve as trustee, indenture trustee, custodian, paying agent or other similar capacities for the issuers of corporate bonds and other securities, including asset-backed and/or mortgage-backed securities. Because the receipt of compensation for such services by an affiliate may be affected by the success and/or size of a primary offering of such securities, we may be prohibited from purchasing such securities in the primary offering for our ERISA clients in order to avoid a violation of ERISA's prohibited transaction rules.

### **Affiliated Wrap Sponsors**

Certain of our affiliates, such as BNYMSC, BNY Mellon Wealth Management and non-affiliates are sponsors of wrap programs. NIMNA provides non-discretionary advisory model account services for the wrap program sponsors. Our relationships with wrap program sponsors create conflicts of interest for the sponsors and us. Wrap program sponsors typically select the investment advisers who participate in the program and provide advice to clients regarding the selection of an investment adviser from among the advisers participating in the program. If the wrap program sponsor is affiliated with us, the sponsor has an incentive to give us access to the program and to steer clients toward us, based on the affiliation rather than based on our expertise or performance or the client's needs. We are, however, subject to the same selection and review criteria as the other advisers who participate in our affiliates' wrap programs. Likewise, we, in the hope of gaining clients through a wrap program, have an incentive to execute brokerage transactions through the program sponsor (whether affiliated or unaffiliated), who in turn has the power to recommend us to program participants.

### **Affiliated Banking Institutions**

BNY Mellon engages in trust and investment business through various banking institutions, including BNY Mellon, National Association. BNY Mellon and other affiliates and/or subsidiaries may provide certain services to us, such as recordkeeping, accounting, marketing services and referrals of clients. We provide these affiliates with sales and marketing materials regarding our investment management services that may be distributed under the name



of certain marketing “umbrella designations” such as BNY Mellon, BNY Mellon Wealth Management, BNY Mellon IM and BNY Mellon EMEA.

We may provide certain investment advice and/or security valuation services to the Bank and other BNY Mellon affiliates and/or subsidiaries. We also provide certain investment advisory and trading services to certain clients of these affiliates and separately managed accounts (including separately managed accounts for which these affiliates act as trustee, custodian or investment manager). Certain employees are also officers of the Bank. In their capacity as officers of the Bank, our personnel provide discretionary investment advisory services to certain clients and we receive a fee for such services. In addition, our primarily institutional and employee benefit and foundation clients and our affiliated employee benefit plan may invest in certain collective investment funds of the Bank.

Certain clients have established custodial or sub-custodial arrangements with the Bank and other financial institutions that are affiliated with us. Furthermore, the Bank and other financial institutions that are affiliated with us may provide services (such as trustee, custodial or administrative services) to issuers of securities. Because of their affiliation with us, our ability to purchase securities of such issuers and to take advantage of certain market opportunities may be subject to certain restrictions and, in some cases, prohibited.

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

We have adopted a Code of Ethics that is made up of two parts:

1. BNY Mellon Code of Conduct (the “BNY Mellon Code”);
2. BNY Mellon Personal Securities Trading Policy (the “PSTP”)

The BNY Mellon Code of Conduct sets expectations for business conduct for employees and provides guidance on important legal and ethical issues. In addition, it clarifies the Firm’s responsibilities to clients, suppliers, government officials, competitors and the communities we serve. BNY Mellon’s Code of Conduct covers the following key principles:

1. Respecting Others: We are committed to fostering an inclusive workplace where talented people want to stay and develop their careers. Supporting a diverse, engaged workforce allows us to be successful in building trust, empowering teams, serving our clients and outperforming our peers. We give equal employment opportunity to all individuals in compliance with legal requirements and because it’s the right thing to do.
2. Avoiding Conflicts: We make our business decisions free from conflicting outside influences. Our business decisions are based on our duty to BNY Mellon and our clients, and are not driven by any personal interest or gain. We are to remain alert to any and all potential conflicts of interest and ensure that we identify, mitigate or eliminate any such conflicts.
3. Conducting Business: We secure business based on honest competition in the marketplace. This contributes to the success of our company, our clients and our shareholders. We compete while in full compliance with all applicable laws and regulations. We support worldwide efforts to combat financial corruption and financial crime.
4. Working with Governments: We follow all requirements that apply to doing business with governments. We recognize that practices for dealing with private and government clients are different from a legal perspective.
5. Protecting Company Assets: We ensure all entries made in the company’s books and records are complete and accurate, and comply with established accounting and record-keeping procedures. We maintain the confidentiality of all forms of data and information entrusted to us, and prevent the misuse of information belonging to the company or any client.
6. Supporting Our Communities: We take active roles in our communities around the world, both as individuals and as a company. Our long-term success is linked to the strength of the global economy and the strength of our industry. We are honest, fair and transparent in our interactions with our communities and the public at large.

As a global financial institution, BNY Mellon and its subsidiaries (the “Company”) are subject to certain laws and/or regulations governing the personal trading of securities. In order to ensure that all employees’ personal

investments are conducted in compliance with the applicable rules and regulations and are free from conflicts of interest, the Company has established limitations on personal trading, as reflected in the PTSP.

The PSTP sets forth procedures and limitations that govern the personal securities transactions of our employees in accounts held in their own names as well as accounts in which they have indirect ownership. We, and our related persons and employees, may, under certain circumstances and consistent with the PSTP, purchase or sell for their own accounts securities that we also recommend to clients.

The PSTP imposes different requirements and limitations on employees based on the nature of their business activities. Each of our employees is classified as one of the following:

1. Investment/Public Employee (“IE”): IE is an employee who, in the normal conduct of his/her job responsibilities, is on the “public side” of the Information Barrier in accordance with BNY Mellon’s Information Barrier Policy and has access (or is likely to be perceived to have access) to nonpublic information regarding any advisory client’s purchase or sale of securities or nonpublic information regarding the portfolio holdings of any Proprietary Fund (defined as a fund sponsored, managed or sub advised by BNY Mellon or any of its affiliates), is involved in making securities recommendations to advisory clients, or has access to such recommendations before they are public.
2. Access Decision Maker (“ADM”): Generally, employees are considered to be ADM Employees if they are portfolio managers or research analysts and make or participate in recommendations or decisions regarding the purchase or sale of securities for mutual funds or managed accounts. Portfolio managers of broad-based index funds and traders are not typically classified as ADM Employees.
3. Non-Classified Employee: Our employees are considered non-classified if they are not an IE or ADM.

#### PSTP Overview:

1. IE, and ADM employees are subject to preclearance and personal securities reporting requirements, with respect to discretionary accounts in which they have direct or indirect ownership.
2. Transaction reporting is not required for non-discretionary accounts, transactions in exempt securities or certain other transactions that are not deemed to present any potential conflicts of interest.
3. Preclearance is not required for transactions involving certain exempt securities (such as ETFs and open-end investment company securities that are not Proprietary Funds or money market funds and short-term instruments, non-financial commodities; transactions in non-discretionary accounts (approved accounts over which the employee has no direct or indirect influence or control over the investment decision-making process); transactions done pursuant to automatic investment plans; and certain other transactions detailed in the PSTP which are either involuntary or deemed not to present any potential conflict of interest.
4. We have a “Preclearance Compliance Officer” who maintains a “restricted list” of companies whose securities are subject to trading restrictions. This list is used by the PTA System to determine whether or not to grant trading authorization.

5. The acquisition of any securities in a private placement requires prior written approvals.
6. With respect to transactions involving BNY Mellon securities, all employees are also prohibited from engaging in short sales, purchases on margin, option transactions (other than employee option plans), and short-term trading (*i.e.*, purchasing and selling, or selling and purchasing BNY Mellon securities within any 60 calendar day period).
7. For IE, and ADM employees, with respect to non-BNY Mellon securities, purchasing and selling, or selling and purchasing the same or equivalent security within 30 calendar days is prohibited, and any profits must be disgorged.
8. No covered employee should knowingly participate in or facilitate late trading, market timing or any other activity with respect to any fund in violation of applicable law or the provisions of such fund's disclosure documents.

A copy of the Code of Ethics will be provided upon request.

## **Interest in Client Transactions**

While each of the following types of transactions present conflicts of interest for us, as described below, we manage our accounts consistent with applicable law and we follow procedures that are reasonably designed to treat our clients fairly and to prevent any client or group of clients from being systematically favored or disadvantaged.

### **Principal Transactions**

“Principal Transactions” are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys any security from or sells any security to any client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated pooled investment vehicle and another client account. When an investment adviser engages in a principal transaction, it may have an incentive to favor its own interests over the interests of its client.

The Firm does not generally enter into principal transactions with related persons. In the event the firm would enter into a principal transaction, it would do so in accordance with Section 206(3) of the Advisers Act.

It is our policy that our officers or directors shall not, as principal, buy securities for themselves from, or sell securities they own to, any client. However, we are part of a large diversified financial organization, which includes banks and broker-dealers. As a result, it is possible that a related person other than our officers and directors, may, as principal, purchase securities from, or sell securities to, our clients.

### **Cross Transactions**

From time to time securities to be sold on behalf of a client may be suitable for purchase by another client. In such instances, if we determine in good faith that the transaction is in the best interest of each client, then we will arrange for the securities to be transferred between the client accounts at an independently determined fair market value (a “cross trade”). Cross trades present conflicts of interest, as there is an incentive for us to favor one client

to the cross trade over the other. For example, if one client account pays performance fees to us, whereas the other client account pays only asset-based fees, we would have a financial incentive to favor the performance fee-paying account in the cross-trade. The Firm does not generally engage in cross trades, except in the following limited circumstances and/or in consultation with the client.

In limited circumstances, the Firm may engage in cross trades for advisory accounts in which an affiliated broker-dealer acts as broker for both the advisory account and the other party to the transaction. The Firm could also effect cross trades directly between advisory accounts, provided that such transactions are consistent with the investment objectives and policies of such accounts (for mutual funds, consistent with the funds' Rule 17a-7 procedures (procedures for transactions with affiliated persons)); are, in the view of the respective portfolio managers, favorable to both sides of the transaction; and are otherwise executed in accordance with applicable laws, rules and regulation.

### **Interests in Recommended Securities/Products**

We or our affiliates may recommend securities to clients, or buy or sell securities for client accounts, at or about the same time that we or one of our affiliates buys or sells the same securities for our (or the affiliate's) own account. This practice may give rise to a variety of conflicts of interest, particularly with respect to aggregating, allocating and sequencing securities being purchased on both our (or the affiliate's) behalf and our clients' behalf. For example, we could have an incentive to cause a client or clients to participate in an offering because we desire to participate in the offering on our own behalf and would otherwise be unable to meet the minimum purchase requirements. Likewise, we could have an incentive to cause our clients to participate in an offering to increase our overall allocation of securities in that offering, or to increase our ability to participate in future offerings by the same underwriter or issuer. On the other hand, we could have an incentive to cause our clients to minimize their participation in an offering that has limited availability so that we do not have to share a proportionately greater amount of the offering with the client. Allocations of aggregated trades might likewise raise a potential conflict of interest as we may have an incentive to allocate, to our self, securities that are expected to increase in value. See Item 12 of this Brochure for a discussion of our brokerage and allocations practices and policies. Further, a conflict of interest could be viewed as arising if a transaction in our own account closely precedes a transaction in related securities in a client account, such as when a subsequent purchase by a client account increases the value of securities that were previously purchased for our self.

On occasion, we recommend the purchase or sale of securities that are issued by our affiliate, BNY Mellon, or underwritten by its affiliate, BNY Mellon Capital Markets, LLC, for client accounts if such recommendation or purchase or sale is in accordance with the client's guidelines and applicable laws. In addition, we or a related person may recommend the purchase of securities in certain private funds which we manage (and for which we or an employee may serve as a director or managing member) or collective investment funds maintained by the Bank (which are managed by our personnel for which we receive a fee and the Bank may receive a custodial fee for custody services). The Firm, its employees and related persons currently invest in certain private funds or collective funds that also include client assets managed by us, and we and such related persons will receive proportional returns associated with our investment. Additionally, in many instances we typically receive an investment management fee in our capacity as investment adviser or sub-adviser and related persons (including affiliated broker-dealers) receive certain amounts associated with placement agent fees, custodial fees, administrative fees, loads or sales charges.





### **Investments by Related Persons and Employees**

We and our current employees, our board members and our affiliates and their employees from time to time invest in products managed by us. We have developed policies and procedures to address any related conflicts of interest created by such investment. We are part of a large diversified financial organization that includes banks and broker-dealers. As a result, it is possible that a related person may, as principal, purchase securities or sell securities for itself that we also recommend to clients. We do permit our employees to invest for their own account within the guidelines and restrictions of the Code of Ethics, as described above. Please also see “Interests in Recommended Securities/Products” in this Item 11, “Dual Officers” in Item 10 and “Affiliated Underwriters” in Item 10 of this Brochure with regard to purchases of securities in an offering where an affiliate acts as underwriter or a member of the underwriting syndicate.

### **Agency Transactions Involving Affiliated Brokers**

We do not, nor do any of our officers or directors, acting as broker or agent, effect securities transactions for compensation for any client. We are part of a large diversified financial organization that includes broker-dealers. As a result, it is possible that a related person, other than our officers and directors, may, as agent, effect securities transactions for our clients for compensation. Please also see Item 10 and Item 12 for additional information relating to affiliate arrangements and with regard to purchases of securities in an offering where an affiliate acts as underwriter or a member of the underwriting. Please also see Form ADV, Part 1A – Schedule D, Section 7 for a list of broker-dealers which are our affiliates.

### **Foreign Exchange (FX) Transactions**

NIMNA may effect FX transactions through an affiliate if the affiliate has been appointed as custodian by the client. NIMNA aims to disclose this relationship, the capacity in which we act, and seeks the consent to so act, when the client opens its discretionary account. The investment management agreements are typically negotiable, and the client can propose alternate language or omit altogether. However, If the client agrees to the terms, and they wish to revoke its consent to such transactions at any time, they may provide us with written notice and upon receipt of such notice, we will refrain from engaging in any future FX transactions with the affiliate on the client’s behalf. Under no circumstances does NIMNA receive compensation in relation to such transactions from either the affiliate or the client.

## **ITEM 12: BROKERAGE PRACTICES**

### **Broker Selection**

Unless specifically directed otherwise by our clients, we have the authority to direct securities transactions on behalf of our clients to broker-dealers we select. All brokerage firms used by the Firm are pre-approved via an approval process. Brokerage firms approved as part of this process are subject to an approval and ongoing monitoring process, which includes, but is not limited to, the broker's credit worthiness and financial stability, a review of the performance of execution services provided by the broker and the broker's ability to trade effectively on our clients' behalf. Newton maintains a list of all brokerage firms and counterparties that have been approved.

The decision as to which brokerage firm or counterparty to use is at the sole discretion of the trading team and depends on the circumstances of the particular order. Before the trader makes a decision, they typically consult the portfolio manager to ascertain the objectives for the order and their preferences in relation to the relative importance of the execution factors, in order that best execution is achieved for its clients. We also consider other brokerage and research services provided by the broker-dealer. From time to time, and consistent with its duty to seek best execution, the Firm uses a brokerage firm or counterparty not on the list of approved brokers. Approval must be obtained on a one-off basis before any order is placed.

Brokerage services will be obtained only from those firms which meet our standards, maintain a reasonable capital position and can, in our judgment, be expected to reliably and continuously supply these services. Please see the discussion concerning the Volcker Rule and its possible implications concerning our broker-dealer selection practices in Item 10, above.

### **Soft Dollars**

Section 28(e) of the Securities Exchange Act of 1934 ("Section 28(e)"), as amended, establishes a safe harbor that protects an investment adviser from liability for a breach of fiduciary duty solely on the basis that the investment adviser used client commissions ("Soft Dollars") to pay a broker-dealer more than the lowest available commission rate in order to receive brokerage and research services ("Services and Products") provided by the broker-dealer (anything more than "pure execution"), if the investment adviser determines in good faith that the amount of the commission was reasonable in relation to the value of the Services and Products received.

It is the Firm's policy to use Soft Dollar credits to obtain Services and Products where the Firm determines in good faith that the commission is reasonable in relation to the value of the Services and Products provided by such broker-dealer, viewed in terms of either that particular transaction or the Firm's overall responsibilities with respect to the accounts for which it exercises investment discretion. Services and Products obtained by the Firm may not necessarily benefit a client whose commission credits are used to pay for those Services and Products. Likewise, a client may benefit from Services and Products who do not contribute to Soft Dollar commissions although the Firm strives to eliminate these occurrences to the extent possible.

We use Soft Dollar credits to pay for Services and Products that support our investment decision-making process. These Services and Products include, but are not limited to, analytical systems; research databases; advice as to the value of securities, including over-the-counter market data; reports concerning company, industry, market,

asset allocation, economic and political analysis; and similar research-oriented information. Additionally, broker-dealers through which we trade may provide us access to capital introduction programs or educational conferences for no charge. Capital introduction programs allow investment managers of private funds to offer such private funds or describe the private funds' strategies to qualified customers of the broker-dealers. However, we do not enter into any agreements with, or make commitments to, any broker-dealer that would bind us to direct business or other compensation to such brokers in exchange for such accommodation or services.

NIMNA utilizes Client Commission Arrangements ("CCA's" or "CSA's") as the mechanism to obtain and pay for said Services and Products. Under these arrangements, an adviser, in collaboration with their executing broker, may establish a "pool of commissions" for the purpose of paying for Services and Products provided either by broker-dealers or non-broker-dealers.

The Firm may request brokers effecting transactions on behalf of equity accounts to allocate a portion of the commissions to a pool of Soft Dollar credits maintained by a broker-dealer (other than the executing broker). We believe this type of arrangement helps support our ability to select the most appropriate broker-dealer for trade execution since the Firm is not required to trade with any particular broker to generate sufficient Soft Dollars to pay for Services and Products.

The use of Soft Dollars to obtain Services and Products benefits us because the Firm does not have to produce or pay for the research itself. Therefore, we have an incentive to trade through broker-dealers who provide us Services and Products rather than broker-dealers who do not (and who may offer more favorable execution). Further, certain Services and Products received benefit:

1. certain other accounts also under our management;
2. accounts of affiliates managed by our employees who are also employees or officers of such affiliates; or
3. non-discretionary accounts of affiliates and accounts of affiliates over which we retain investment discretion.

Accordingly, non-discretionary accounts for which the Firm does not have authority to effect transactions, accounts that direct all or a portion of their trades to a designated broker-dealer and other accounts whose trading does not generate Soft Dollar credits may benefit from Services and Products paid for by Soft Dollar credits generated by other accounts. Likewise, certain client accounts of affiliates may be managed by our portfolio managers acting in dual officer capacities. Because those clients, along with all other equity clients, may benefit from the Services and Products we receive, commissions generated by equity accounts of those clients may, as noted above, also be used to pay for those Services and Products.

When the Firm receives Services and Products where a portion may not be eligible for Soft Dollar credits ("Mixed-Use Product"), a potential conflict of interest may arise since such Mixed-Use Product may directly benefit the Firm even though they are paid for by soft dollar credits generated by client commissions. In such situations, a reasonable allocation of the cost of the Mixed-Use Product or service must be made according to its use. The allocation decision shall be based upon a good faith, fact-based analysis of how employees utilize such Services and Product.

Each product or service paid for through the use of Soft Dollar credits is subject to a review and approval process. This process is to ensure that the Firm is adhering to the requirements set forth under Section 28(e).

On an ongoing basis, the Firm's investment professionals that utilize proprietary or independent research track and evaluate these services through a research valuation process. The investment professional reviews the Services and Products received, evaluates their quality and usefulness and documents his or her evaluation of the services. The individual evaluations are subsequently aggregated and the participating firms are paid based on composite results. Payments are made either by direct trade execution commissions or from other client commission arrangements.

The Firm generally does not permit eligible clients to elect not to participate in the generation of soft dollar credits.

Certain clients are subject to non-US regulations that are inconsistent with our standard trading practices. For example, the EU Markets in Financial Instruments Directive ("MiFID II") and related regulations limit a manager's ability to receive Services and Products from executing brokers. Although we are not directly subject to these regulations, we may adjust our standard trading practices on a case-by-case basis to accommodate compliance with MiFID II and other non-US regulations by our clients, including certain affiliates. These accommodations may include, but are not limited to, expanded use of client commission arrangements, commission sharing arrangements and similar arrangements; enhanced reporting on client commissions and the Services and Products obtained; and non-participation in the generation of Soft Dollar credits. We expect the effective commission rates in these circumstances to be substantially similar to those paid by similarly situated clients. However, as a result of these accommodations, clients from certain jurisdictions could account for a lower percentage of Soft Dollar credits than otherwise similar clients from other jurisdictions.

It is possible that some of our affiliates whom we appoint as sub-advisers or delegate certain investment advisory services to may have a different policy regarding the use of Soft Dollars.

## **Commission Rates**

Although commission rates are individually negotiable on each trade, we have established commission rate guidelines for execution-only and full-service brokers (who provide Services and Products) and electronic venues which indicate an appropriate commission rate based on the broker/venue utilized, the price of the stock and the type of transaction. Actual commission rates may be higher or lower than indicated by the rate guidelines depending on the particular circumstances of a transaction. Such circumstances include, but are not limited to, whether: (a) the underlying security is more or less difficult to trade relative to other securities, (b) the quality of the execution justifies an adjustment to the commission rate, (c) the broker commits capital or d) the broker sources liquidity. In no case will an order be placed with a broker-dealer if the broker-dealer is not able, in our judgment, to provide best execution for a particular transaction.

## **Trade Execution**

NIMNA has engaged xBK LLC ("xBK"), an indirect subsidiary of BNY Mellon Individuals from xBK who effect trades for the Firm, do so in a dual-officer capacity on behalf of NIMNA. The primary objective of xBK in executing client orders is to seek best execution. NIMNA interprets best execution as seeking the most favorable execution terms reasonably available given the circumstances of a particular trade. Execution costs include explicit fees (commissions) and implicit costs (spread, market impact and opportunity costs).

Certain members of xBK may also serve as dual officers of an affiliated firm. xBK has adopted policies to help ensure that each firm is treated equitably. Orders received from more than one firm by a trader are generally executed on a chronological basis of when the order was received. If an order is partially filled, it will be at the trader's discretion to determine if a new order will be executed simultaneously. At no time will the trading team aggregate orders across affiliated firms other than as outlined under the Trade Aggregation/Allocation section below.

## **Model Delivery Programs**

Due to the different strategies and independent trading functions of the Firm's Product Lines, policies with respect to Model Delivery Programs differ by Product Line.

### Equity Product Line

Where the Equity Product Line participates as an investment manager in Model Delivery Programs and the Sponsor or other model recipient is responsible for trading, model changes will be communicated to such accounts either subject to a rotation methodology with like accounts/programs, behind fully discretionary accounts (sequenced trading), or alongside fully discretionary accounts with similar order instructions (contemporaneous trading). To the extent that accounts are part of a rotation methodology or sequenced it is possible that such accounts may suffer adverse effects on trade execution prices depending upon strategy, liquidity or market conditions. When contemporaneous trading occurs, given the potential market perception of supply (or demand) imbalance associated with multiple sellers (or buyers), it is possible that performance for both types of accounts could be affected, depending upon market conditions.

### Multi-Asset Product Line

In limited circumstances, the Firm may provide to a Model Delivery Program client the same model portfolio used to manage certain of our clients' accounts. In those cases where we implement recommendations for only a portion of the assets affected (for example, only the assets over which we have discretionary management authority) and therefore cannot apply our internal trade allocation procedures, we will (i) use reasonable efforts to agree on procedures with Model Delivery Program clients designed to prevent one group of clients from receiving preferential trading treatment over another group or (ii) determine that, due to the nature of the assets to be traded or the market on which they are traded, no client would likely be adversely affected if such procedures are not established.

## **Client Referrals**

We do not direct securities transactions to any broker-dealer in exchange for referral of investment management clients.

## **Trade Aggregation/Allocation**

The Firm has adopted practices designed to ensure fair treatment of all clients in situations where two or more client accounts participate contemporaneously in a buy or sell program involving the same securities. We will

generally seek to aggregate or “block” orders that are placed concurrently by portfolio managers for client accounts where we believe this will result in more favorable execution.

When orders are aggregated, each participating account will generally receive the same price and commission. If an aggregated order is filled in its entirety, the order will generally be allocated in accordance with the pre-trade allocation specified. If an aggregated order is partially filled, the order is generally allocated among the accounts specified on the trade ticket on a pro rata basis in proportion to the intended pre-trade allocation (subject to rounding to “round lot” amounts).

In certain circumstances, our trade aggregation policies allow allocation on a basis other than strictly pro rata if we believe that such allocation is fair and reasonable to all of the accounts that are involved in the order. For example, due to liquidity constraints, the use of limit orders and other factors, orders placed in certain markets, such as emerging markets securities, may take several days to fill. Primarily due to custodial fees that accounts may incur as a result of orders in the same security that span a series of days, it is often more beneficial to not allocate partial fills on a pro rata basis across all participating accounts. In general, if an account is not allocated shares of a security on day one, it will likely receive an allocation the next time we trade that stock. This is intended to result in accounts within the same strategy/product group having similar weights and holdings over time. This allocation procedure may result in some accounts in the same strategy/product group receiving a more favorable price for certain securities than other accounts.

In certain circumstances, we will determine not to aggregate orders even when there are orders for the same security and the same benchmark. For example, certain portfolio risk factors (such as when a rebalancing requires special treatment in order to keep factors such as cash and other asset weightings continuously aligned) will affect the decision as to whether or not it is appropriate to block a trade.

We may aggregate transactions for client accounts and affiliated accounts managed by our employees who are also dual officers of such affiliates. We may also aggregate trades for clients with trades for proprietary accounts, such as retirement plans in which the employees are participants and private funds and mutual funds in which our or our related parties' employees have invested.

For certain foreign exchange (“FX”) transactions, we may aggregate buys and sells in the same currency to obtain a net FX quote that is, at times, more advantageous than would be available without aggregating and netting, but in no circumstances less advantageous than would be available without aggregating and netting.

## **Trade Coordination**

As described in Item 4, the Firm and NIM seek to optimize the extent to which each can share between the two firms internally generated investment research and/or research recommendations with a view to enhancing the research and investment opportunities for all portfolios managed by both firms. A trade coordination process is in place to notify the respective dealing functions of both Firms when dealing in the same security in the same direction above a pre-agreed combined liquidity threshold and under certain other potential conditions. Both Firms work to coordinate execution between them to optimize the market participation of the trades to avoid price impact and ensure fair allocation between both sets of client executions.

## Directed Brokerage

Certain advisory clients direct NIMNA to place specific transactions for its account with a designated broker-dealer. Additionally, a client can instruct us to direct a portion of its commission to a specified broker-dealer. In the event that such direction occurs, we expect to have limited capability to negotiate commission levels or obtain volume discounts and may experience other impediments to achieving best execution. In addition, in meeting the client's brokerage directive, we may not be able to aggregate these transactions with transactions we effect for other accounts we manage and we may delay placing the orders for directed accounts until our orders for other accounts that we manage have been completed. As a result, the net price paid or received by the directed account can be different than the price paid or received by our other accounts and therefore, we may be unable to achieve the most favorable execution for such directed account. Directing brokerage can, in many instances, cause clients to incur higher brokerage costs.

The Firm may impose limits on the amount of brokerage that it is willing to direct, typically as a percentage of the total brokerage effected by the Firm for the client's account. Such limitations will be determined from time to time with respect to the relevant investment strategy and may change over time in response to market developments or for other reasons. This policy is driven by our belief that these arrangements may result in additional costs to our clients and may adversely affect the performance of a client's account.

For clients that request us to use a designated broker-dealer subject to our obligation to seek best execution, we will treat the client's request to use the designated broker-dealer or other counterparty to execute securities transactions as a suggestion for the selection of the broker-dealer or other counterparty ("suggested brokerage"). However, there is no guarantee that we will be able to meet the client's brokerage selection criteria.

In the case of agency transactions for both client "directed" and client "suggested" brokerage, the use of "step-out" transactions in certain circumstances may help us in seeking to meet the client's brokerage criteria (while ensuring that all accounts participating in the aggregated trade receive the same average price). In a step-out, we would instruct the executing broker-dealer to arrange for the designated broker-dealer to handle clearance and settlement of the transaction for all or a portion of an aggregated trade. In a step-out, the affected clients are assessed as commission only by the broker-dealer who clears the transaction. The executing broker-dealer receives compensation in the form of a commission with respect to the portion of the aggregated trade that was not "stepped-out" to the designated broker-dealer. The use of step-out trades can, in some instances, help ensure that clients that seek to direct brokerage are not disadvantaged by the inability to participate in aggregated transactions. However, step-out trades are accommodations by the executing broker-dealer and therefore, will not be available in all circumstances and cannot be relied upon. In addition, to the extent that a broker has committed capital to a trade, step-out arrangements will not be available.

Those clients who direct brokerage should consider the following:

- We may not negotiate brokerage commissions with respect to transactions executed by the designated broker-dealer for the client's account.
- Orders for clients that direct brokerage may be placed separately from and after the completion of orders for non-directed accounts. To the extent that orders are placed after the orders for our other clients, the price of securities purchased or sold for such client accounts may be adversely affected. This may be of particular importance for accounts tracking an index, since purchase and sale prices will often be traded at the closing

price mark in order to accurately replicate the timing of the index changes and may also involve a broker's commitment of capital.

- A client that directs brokerage may forego any benefit from savings on execution costs that we could obtain for clients through negotiating volume commission discounts on aggregated transactions.
- As a result of the foregoing, a client that directs brokerage may not receive best execution on transactions effected through the designated broker-dealer.
- As a result of these considerations, directed brokerage accounts may not generate returns equal to those of non-directed accounts.
- In addition, if applicable, conflicts can arise between the client's interest in receiving best execution on transactions effected for the client's account and our interest in receiving client referrals from the designated broker-dealer.

In agreeing to follow a client's directed brokerage instruction, we are relying on the fact that it is the client's responsibility to ensure that (i) all services provided by the designated broker-dealer or other counterparty will solely benefit the client's account and using the designated broker-dealer or other counterparty is in the best interest of the client's account taking into consideration the services provided and (ii) the brokerage direction will not conflict with any fiduciary obligations of the persons acting for the client's account and if the account is subject to the provisions of ERISA, such direction will not cause the plan to engage in a prohibited transaction under ERISA.

Clients have the obligation to comply with any laws and regulations regarding their directed/suggested brokerage arrangements and to disclose any directed brokerage arrangements to any and all other affected persons and account beneficiaries as appropriate.

Due to the directed brokerage arrangements that our clients have in place, the overall firm-wide commission rates may be higher than they otherwise would be if we did not participate in any client-directed brokerage programs.

## **Affiliated Brokerage**

The Firm maintains an Approved Broker List for various types of transactions from which we select broker-dealers and other counterparties to effect transactions for client accounts. Historically, the Firm has executed securities transactions with affiliates for certain clients in limited circumstances, typically upon client direction. In the future, we will continue to evaluate the services offered by our affiliated brokers and may execute securities transactions through such brokers in a manner that is, in all cases, consistent with our duty to seek best execution.

The Firm, in certain circumstances, participates in underwritten offerings where an affiliate is part of the syndicate, although the Firm typically will not participate in an underwritten offering for which an affiliate of the Firm acts as a lead underwriter. The Firm does not execute trades with its affiliate in these circumstances and seeks to ensure that its affiliate will not be compensated as a result of the Firm's participation in the offering. Please see Item 10 of this Brochure for more information on the use of affiliated underwriters.



## Public Offerings

The Firm may enter orders to participate in initial public offerings (“IPOs”). Where possible, IPO orders will be aggregated amongst client accounts within a Product Line but will not be aggregated with another Product Line. In deciding to purchase a public offering (initial public or secondary offering) key considerations include the capitalization characteristics of the security, as well as other characteristics of the security, and targets accounts with investment objectives and strategies consistent with such a purchase.

Subject to the needs and requirements of each Product Line and the relevant investment strategies participating in the order, as well as client guidelines where applicable, the IPO shares will generally be allocated on a pro rata basis. Where the Firm only receives a partial allocation of the total share amount requested, those shares will generally be distributed fairly and equitably across participating accounts. The distribution of the partial allocation across product groups will be based on the percentage of total assets under management of the product to the total assets under management of all product groups participating. If the allocation to an account is *de minimis*, the portfolio manager may decide to reallocate to the other participating clients in a fair and reasonable fashion.

Any deviation from the pro rata distribution procedure for IPOs must be approved in writing by the Chief Compliance Officer (or designee) and the portfolio manager’s supervisor or his/her designees.

## Trade Error

In executing on the above investment strategies and in light of the above investment risks, the Firm’s operations are inherently complex and errors will happen on occasion, including with respect to investment decisions, portfolio construction and trade execution and reconciliation.

The Firm’s goal is to avoid errors by taking preventive measures. However, when errors do occur the Firm adheres to its error correction policy, including but not limited to, bringing the client portfolio in the position it should have been in had the error not occurred.

## **ITEM 13: REVIEW OF ACCOUNTS**

Management of each client account requires that portfolio managers implement particular strategies and investment decisions in accordance with the client's stated guidelines and applicable regulatory requirements. The Firm has adopted and implemented a number of policies, procedures and practices designed to facilitate both ongoing and periodic review of the Firm's various accounts, portfolios, and strategies. A summary of the account review procedures implemented by the Firm is provided below.

Portfolio managers are primarily responsible for reviewing each of their accounts on a continuous basis. All portfolios are reviewed continuously by members of the assigned portfolio management team. Additional in-depth reviews by the portfolio managers may be triggered by factors such as contributions to and distributions from the account and market and economic changes.

The Firm's Investment Services Team monitors accounts on a continuous basis, including where available, through the use of an automated third party pre-trade and post-trade compliance system to ensure that new orders as well as existing holdings are in accordance with client investment guidelines and restrictions. In addition, periodic internal and external audits are conducted to ensure that portfolios are managed in accordance with client guidelines and restrictions. Any guideline breaches, including those that occur as a result of market movements, are promptly communicated and followed up on. Corrective action is taken where appropriate.

Senior investment personnel and investment risk staff conduct periodic reviews of industry quantitative and country characteristics and other relevant data to ensure that portfolio managers are meeting portfolio attributes established by the Firm.

Transaction reports and performance summaries are provided to clients on a periodic basis, depending on the client's preference. These written statements describe all assets held, the quantity and market price for each position and the market value of the account. Some clients may have special deadlines and needs and, as such, may request custom reports (on performance, risk, attribution or other subjects) in addition to those statements which a client receives from its custodian. We have established a client reporting department in order to facilitate these custom requests, which may be agreed to at our discretion. If you have an interest in a custom report, please contact us. All reports are in addition to custodian statements which a client may receive from its custodian. Clients may receive additional types of reports (such as proxy voting summary reports and brokerage reports) as may be mutually agreed upon between clients and the Firm.

## **ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION**

### **Unaffiliated Solicitors and Placement Agents**

From time to time, we engage unaffiliated third parties to solicit new investment advisory clients. The commissions or fees, if any, payable to such solicitors (also referred to as placement agents) with respect to solicitation of investments with us will be paid solely by us. Clients will not pay fees for these solicitations. These solicitors have an incentive for the client to hire us because we will pay the solicitor for the referral. The prospect of receiving solicitation/placement fees provides such placement agents and/or their salespersons an incentive to favor these sales over the sale of other investments with respect to which the placement agent does not receive such compensation or receives lower levels of compensation. In addition, to the extent permitted by law, certain placement agents and their respective affiliates provide brokerage and certain other financial and securities services to us or our affiliates. Such services, if any, will be provided at competitive rates.

Some of the Firm's clients may retain consulting firms to assist them in selecting investment managers. Some consulting firms provide services to both those who hire investment managers and to investment management firms. The Firm may pay to attend conferences sponsored by consulting firms and/or purchase services from consulting firms where it believes those services will be useful to it in operating its investment management business. The Firm does not pay referral fees to consultants. However, the Firm's clients and prospective clients should be aware that consulting firms might have business relationships with investment management firms that they recommend to their clients.

From time to time, the Firm may enter into agreements with third parties, providing cash compensation to solicitors who secure clients for the Firm. These agreements require that the solicitor meet the disclosure and other requirements of Rule 206(4)-3 under the Advisers Act and comply with the requirement that each client subject to a referral arrangement receive a copy of the referral agreement prior to or at the time of entering into an agreement with the Firm. They generally provide either for compensation equal to a specified percentage of fees received by the Firm from clients referred by the solicitor or for fixed compensation payable monthly or quarterly.

### **Affiliated Solicitors and Placement Agents**

From time to time, we pay referral fees to our affiliates (and/or their employees) for referrals that result in additional investment management business. These arrangements include certain registered representatives of BNYMSC that offer sales and marketing services to clients in North America on behalf of the Firm. There is a financial arrangement in place between us and BNYMSC. Please see the discussion of affiliated placement agents in Item 10, above.

In addition, certain employees of our affiliate, NIM, offer sales and marketing services with respect to NIMNA's investment strategy capabilities to non-U.S. clients on behalf of the Firm for which a financial arrangement is in place between us and NIM. Clients are not responsible for paying any fees to NIM, and the fees NIMMNA charges to the client will not be increased as a result of this arrangement between NIM and NIMNA LLC.

Our ultimate parent, BNY Mellon, has organized its lines of business into different groups (collectively "Groups"). We are part of the Investment Management Group.



Sales of any alternative investment products (such as private funds) in the U.S. are affected exclusively through our broker-dealer affiliate. Only registered representatives of such broker-dealer (who are also Associated Persons of the Firm in the case of products that are commodity pools or trade commodity interests) receive compensation for sales of alternative investments. For sales of our private funds and investment advisory services outside of the U.S., we may make payments to affiliates.

We may pay a fee to an affiliate that has a pre-existing relationship with a new client of the Groups. The fees may be based on revenues and may provide for a one-time payment or multiple payments over a number of years.

Receipt of compensation in connection with the sale of products in which NIMNA is the sub investment manager gives rise to a conflict of interest in that it gives our sales representatives or affiliates an incentive to recommend investment products and services based on the compensation they will receive, rather than solely on a client's needs.

## ITEM 15: CUSTODY

Rule 206(4)-2 under the Advisers Act (the “Custody Rule”) defines “custody” to include a situation in which an adviser or a related person holds, directly or indirectly, client funds or securities or has any authority to obtain possession of them, in connection with advisory services provided by the adviser.

For purposes of the Custody Rule, we are deemed to have “custody” of certain client assets because client funds or securities are held by the Bank (a related person of the Firm), we or an employee serve as a director or managing member of investment funds organized as limited partnerships or limited liability companies and/or we have the ability to direct the transfer of funds or securities or to deduct fees from client custodial accounts.

Generally, an adviser that is deemed to have custody of a client’s funds or securities, among other things, is required to arrange for an annual independent verification of such funds or securities in accordance with the Custody Rule (the “Surprise Exam Requirement”). However, the Custody Rule contains the following exceptions from the Surprise Exam Requirement:

1. **Ability to Deduct Fees:** advisers deemed to have custody of client assets solely because of their ability to deduct fees from client accounts are not subject to the Surprise Exam Requirement, provided that certain conditions are met. To the extent that such conditions are met with respect to certain clients, the Firm will rely upon this exemption to avoid a surprise audit for those such clients.
2. **Related Person & Operational Independence:** advisers deemed to have custody of client assets solely because a related person holds client assets will not be subject to the Surprise Exam Requirement, provided the adviser and the related person are “operationally independent.” The Firm will rely upon this exemption to avoid a surprise audit for certain clients. We have determined that our operations are independent from those of the Bank.
3. **Pooled Investment Vehicles:** advisers who are deemed to have custody of the assets of clients formed as pooled investment vehicles will not be subject to the Surprise Exam Requirement, provided the pool has audited financial statements that are prepared in accordance with generally accepted accounting principles and such statements are distributed to investors in the pool within 120 days (or 180 days for funds of funds) of the end of the fiscal year. The Firm will rely upon this exemption to avoid a surprise audit for certain clients.

We have determined that our operations are independent from those of the Bank as well as other BNY Mellon qualified custodians holding client funds and securities belonging to the Firm’s clients. Furthermore, under the terms of the agreements between our clients and the qualified custodians, the Firm does not have any authority over the assets and funds within the account beyond discretionary trading authority.

Investment advisory clients contracted directly with NIMNA should regularly receive from your appointed bank, broker-dealer, or other qualified custodian an account statement, identifying the amount of funds and each security in the account at the end of the period and setting forth all transactions in the account during that period. Please review these statements carefully. You will also receive account statements separately from us. You are strongly urged to compare the account statements you receive from us with those that you receive from your qualified custodian.



Investors in pooled investment vehicles subject to the Custody Rule will receive audited financial statements prepared in accordance with generally accepted accounting principles and audited by an independent public accountant within 120 days of the end of the fiscal year of the pooled investment vehicle. In the event there is a situation where we are deemed to have “custody” of certain client assets, and no exception to the Surprise Exam Requirement is available, we will arrange for an annual independent verification of such funds and securities in accordance with the Custody Rule.

## **Physical Custody**

We do not maintain physical possession of client assets held in separately managed accounts. Typically, each of our clients independently selects a custodian with whom it contracts directly. Our authority to instruct the client’s custodian is limited to that granted by the client to us in the respective investment management agreement.

## **ITEM 16: INVESTMENT DISCRETION**

NIMNA typically receives discretionary investment authority over client assets, and clients must grant this discretionary authority to NIMNA in writing via a contract (otherwise known as an investment management agreement) and/or through an appointment to become the investment adviser of a private fund. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objective(s), guidelines, permissions and restrictions for the particular client account together with all applicable laws and as agreed between NIMNA and client. In most instances the investment guidelines and restrictions to be adhered to will be written and attached as Schedule(s) to the investment management agreement. For pooled investment vehicles, the Firm also has discretionary investment authority, and must adhere to and follow the investment objective(s) and set of investment policies and/or guidelines of the vehicle rather than tailoring to individual client needs. These vehicles are not able to impose individual investment restrictions on the Firm's investment strategies for underlying investors in these pooled investment vehicles.

Clients must deliver their investment guidelines and restrictions to us in writing and, upon our agreement to abide by them, we will adhere to such guidelines and restrictions when making investment decisions.

### **Client Instructions**

In certain circumstances the Firm will agree, upon specific client request, to trade on a client instruction prior to receiving confirmation that sufficient funds to affect settlement of such trades have been received by the custodian. In such circumstances, we have procedures in place to authenticate instructions regarding the movement of cash and/or securities received by our clients and/or third parties authorized to act on behalf of our clients.

## **ITEM 17: VOTING CLIENT SECURITIES**

As part of the contractual relationship between us and our clients, typically through an investment advisory agreement, a client may delegate to us its right to exercise voting authority in connection with the securities we manage for that client. Voting rights are most commonly exercised by casting votes by proxy at shareholder meetings on matters that have been submitted to shareholders for approval. Consistent with applicable rules under the Advisers Act, we have adopted and implemented written proxy voting policies and procedures that are reasonably designed: (1) to vote proxies, consistent with our fiduciary obligations, in the best interests of clients; and (2) to prevent conflicts of interest from influencing proxy voting decisions made on behalf of clients. We provide these proxy voting services as part of our investment management service to client accounts and do not separately charge a fee for this service.

We are open to receiving clients' views on voting matters but clients that have granted us with voting authority are not permitted to direct us on how to vote in a particular solicitation. However, for example, should we identify that a client has filed or co-filed a shareholder resolution at a company's shareholder meeting, we would seek to support the resolution as it relates to the clients' invested capital in the security that has been used to enable the filing of the resolution.

Clients that have not granted us voting authority over securities held in their accounts will receive their proxies in accordance with the arrangements they have made with their service providers. In addition, we may provide proxy voting recommendations to clients who have not granted us voting authority over their securities

Newton votes on behalf of our clients where we have been authorized to do so. We seek to make proxy voting decisions that are in the best long-term financial interests of our clients.

All voting decisions are based on Newton's voting guidelines. We have used the services of an independent voting service provider to translate these guidelines into explicit voting actions forming a bespoke voting policy for Newton. This policy is applied to all our votable holdings, enabling a universal approach to our voting while allowing us to deploy in-depth case-by-case analysis from the stewardship team for those issuers and/or proposals which merit greater focus due to the materiality of our investment or the importance of the issue at hand (e.g., shareholder resolution, corporate action, related-party transactions). In these instances, communication with or input from the wider investment team may be sought, as well as, if relevant, engagement with the company. The stewardship team retains the ultimate discretion to deviate the vote instruction from Newton's bespoke policy's recommendation.

Our active approach to voting means that our voting decisions reflect our investment rationale and take into consideration engagement activity, if any, and the investee company's approach to relevant codes, market practices and regulations. These are applied in all instances to the investee company's unique situation.

In general, voting decisions are taken consistently across all Newton's clients that are invested in the same underlying company. This is in line with Newton's investment process that focuses on the long-term success and profitability of the investee company. Further, it is Newton's intention to exercise voting rights in all circumstances where it retains voting authority.



For separate account clients that have afforded Newton voting discretion, it is Newton's intention to exercise voting rights in all markets. In certain markets, shares may be 'blocked' when exercising voting rights. In these instances, Newton will only exercise voting rights when it is in the best interests of our clients.

**Potential Conflicts of interest may arise such as:**

1. We manage assets for a company whose management is soliciting proxies
2. BNY Mellon executives acting as board members of an investee company whose management is soliciting proxies (see below)
3. We have a business or personal relationship with participants in a proxy contest

**BNY Mellon Proxy Conflicts Policy; Proxy Conflicts Committee**

Under certain circumstances, BNY Mellon has determined that it may not be appropriate for its subsidiaries and business units with discretionary authority to vote proxies on behalf of clients, including us (each, a "Voting Firm"), and has established a Proxy Voting Conflicts Policy (the "BNYM Policy") that sets forth the required actions and reporting of Voting Firms when actual or potential conflicts of interest involving BNY Mellon arise. The BNYM Policy identifies several specific types of proxy solicitations that are considered "Primary Conflicts" for all Voting Firms. Primary Conflicts typically arise when proxies are issued by BNY Mellon or by a pooled vehicle when relating to services provided by a BNY Mellon affiliate and may also arise due to relationships between a proxy issuer and BNY Mellon or BNY Mellon's Chief Executive Officer or Board of Directors. The BNYM Policy directs the manner in which such Primary Conflicts are to be addressed (e.g., application of pre-determined, written guidelines, client consent, or delegation to an independent fiduciary). The BNYM Policy also identifies as "Secondary Conflicts" situations that, while not identified as a Primary Conflict, may present an actual, potential or perceived material conflict for Voting Firms because of a relationship between a proxy issuer and BNY Mellon or its executive officers or Board of Directors.

When Primary Conflicts or Secondary Conflicts occur the voting recommendations of an independent third-party proxy service provider will be applied. In the situation where the independent fiduciary (ISS) is also conflicted, we would abstain from voting. Newton meets with ISS on a periodic basis and as part of this meeting discusses ISS' conflicts of interests.

We are also subject to the policies and decisions of BNY Mellon's Proxy Conflicts Committee (the "PCC"). Among other responsibilities, BNY Mellon has empowered the PCC to maintain, interpret and effect the BNYM Policy. If a Voting Firm needs interpretive guidance concerning a Primary Conflict, the PCC shall review the matter, and (in the case of identified conflicts) determine how best to resolve the conflict (e.g., independent fiduciary, abstention, or mirror voting). In addition to the BNYM PCC Newton has decided to implement its own process for reviewing such conflicts (including Secondary Conflicts), with material conflicts being reported to the Newton Conflicts of Interest Committee.

Newton does not engage in securities lending on behalf of its clients; this activity is at the discretion of individual clients. For certain funds that are managed by BNY Mellon, and where Newton is appointed as investment manager or sub-advisor, the fund boards have entered into securities-lending programs. In such cases, we may



be unable to monitor loaned securities or recall/restrict securities from being loaned, and we will be unable to exercise the voting rights attached to any loaned securities.

Where we plan to vote against management on an issue, we may engage with the company in order to provide an opportunity for our concerns to be allayed. We may also advise management of how we have voted after the meeting should we consider such engagement to be useful in an effort to avoid a repeat situation and ultimately an improvement at the company. We do not communicate our voting intentions ahead of the meeting to third parties.

Newton's Governance Principles and Voting Guidelines and voting records can be found on our website. Clients may receive quarterly reports upon request, if not already provided on the Firm's website.



## **ITEM 18: FINANCIAL INFORMATION**

In certain circumstances, registered investment advisers are required to provide you with financial information or disclosures about their financial condition in this Item. The Firm has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has never been the subject of a bankruptcy proceeding.





Newton Investment Management North America, LLC  
("NIMNA")

**EQUITY DIVISION**

One Boston Place  
201 Washington Street  
Boston, MA 02108  
(617) 248-3000

**Form ADV, Part 2B**  
**(as of March 29, 2024)**

**John C. Bailer**  
One Boston Place  
201 Washington Street  
Boston, MA 02018  
(617) 722-3556

Newton Investment Management North America, LLC (“NIMNA”)  
One Boston Place  
201 Washington Street  
Boston, MA 02108  
(617) 248-3000

## **Form ADV, Part 2B**

**Pursuant to SEC rules and regulations, we prepared for you this brochure supplement because John C. Bailer performs certain advisory services for you.**

**This brochure supplement provides information about John C. Bailer that supplements NIMNA’s brochure. You should have received a copy of that brochure. Please contact NIMNA’s CCO Jaime Utano at (617) 722-3894 or [jaime.utano@newtonim.com](mailto:jaime.utano@newtonim.com) if you did not receive NIMNA’s brochure or if you have any questions about the contents of this supplement.**

**Item 2.**        **Educational Background and Business Experience**

John C. Bailer

**Year of Birth:** 1969

**Education:** Babson College – B.S.; Boston College – M.S.F.

Chartered Financial Analyst\*

**Business Background:**

Sr. Portfolio Manager of NIMNA since 9/21

Sr. Portfolio Manager of Mellon from 2/18 to 8/21

Sr. Managing Director of The Boston Company Asset Management from 10/15 to 1/18

Managing Director of The Boston Company Asset Management from 7/09 to 9/15

\*The Chartered Financial Analyst (CFA) charter is a globally accepted, graduate-level investment credential established in 1962 and awarded by CFA Institute. To earn the charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join the CFA Institute; and 4) commit to abide by, and annually reaffirm, adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct. The CFA Program curriculum covers a wide range of investment topics, including ethical and professional standards, fixed income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning. Please refer to the CFA Institute website at [www.cfainstitute.org](http://www.cfainstitute.org) for additional information.

**Item 3.**        **Disciplinary Information**

There is no disciplinary information to report.

**Item 4.**        **Other Business Activities**

There are no other business activities to report.

**Item 5.**        **Additional Compensation**

There is no additional compensation to report.

**Item 6.      Supervision**

Supervisor: John Porter, III

Title: Equity CIO

Telephone number: (617) 248-4696

Dedicated CIOs are assigned to oversee each of the investment strategy teams. Portfolios are reviewed on a continuous basis for any changes in positioning relative to benchmark, performance, attribution, dispersion and other characteristics. In addition to the investment review, independent portfolio risk management is conducted by our firm's Investment Risk Team.

NIMNA has a well-developed system of independent checks and balances to ensure compliance with our internal risk controls, regulatory requirements, and any client-mandated guidelines. We have a Risk and Compliance function that is independent from our investment professionals. NIMNA utilizes an automated order management system and compliance platform. Pre trade restrictions are coded on individual securities, countries, sectors, and market capitalization. NIMNA also completes a daily post-trade review to ensure adherence to all restrictions. Additionally, each account is reviewed periodically to ensure all restrictions are properly set up and in accordance with client documents.



**Karen Miki Behr**  
One Boston Place  
201 Washington Street  
Boston, MA 02018  
(617) 722-3598

Newton Investment Management North America, LLC (“NIMNA”)  
One Boston Place  
201 Washington Street  
Boston, MA 02108  
(617) 248-3000

## **Form ADV, Part 2B**

**Pursuant to SEC rules and regulations, we prepared for you this brochure supplement because Karen Miki Behr performs certain advisory services for you.**

**This brochure supplement provides information about Karen Miki Behr that supplements NIMNA’s brochure. You should have received a copy of that brochure. Please contact NIMNA’s CCO Jaime Utano at (617) 722-3894 or [jaime.utano@newtonim.com](mailto:jaime.utano@newtonim.com) if you did not receive NIMNA’s brochure or if you have any questions about the contents of this supplement.**

**Item 2.            Educational Background and Business Experience**

Karen Miki Behr

**Year of Birth:** 1977

**Education:** University of California, Berkeley – B.A.; M.I.T. Sloan School of Management – M.B.A.

**Business Background:**

Portfolio Manager of NIMNA since 9/21

Sr. Research Analyst of Mellon from 2/18 to 8/21

Sr. Research Analyst of The Boston Company Asset Management from 06/07 to 1/18

**Item 3.            Disciplinary Information**

There is no disciplinary information to report.

**Item 4.            Other Business Activities**

There are no other business activities to report.

**Item 5.            Additional Compensation**

There is no additional compensation to report.

**Item 6.**        **Supervision**

Supervisor: John Porter, III

Title: Equity CIO

Telephone number: (617) 248-4696

Dedicated CIOs are assigned to oversee each of the investment strategy teams. Portfolios are reviewed on a continuous basis for any changes in positioning relative to benchmark, performance, attribution, dispersion and other characteristics. In addition to the investment review, independent portfolio risk management is conducted by our firm's Investment Risk Team.

NIMNA has a well-developed system of independent checks and balances to ensure compliance with our internal risk controls, regulatory requirements, and any client-mandated guidelines. We have a Risk and Compliance function that is independent from our investment professionals. NIMNA utilizes an automated order management system and compliance platform. Pre trade restrictions are coded on individual securities, countries, sectors, and market capitalization. NIMNA also completes a daily post-trade review to ensure adherence to all restrictions. Additionally, each account is reviewed periodically to ensure all restrictions are properly set up and in accordance with client documents.

**Brock A. Campbell**  
One Boston Place  
201 Washington Street  
Boston, MA 02018  
(617) 722-3556

Newton Investment Management North America, LLC (“NIMNA”)  
One Boston Place  
201 Washington Street  
Boston, MA 02108  
(617) 248-3000

## **Form ADV, Part 2B**

**Pursuant to SEC rules and regulations, we prepared for you this brochure supplement because Brock A. Campbell performs certain advisory services for you.**

**This brochure supplement provides information about Brock A. Campbell that supplements NIMNA’s brochure. You should have received a copy of that brochure. Please contact NIMNA’s CCO Jaime Utano at (617) 722-3894 or [jaime.utano@newtonim.com](mailto:jaime.utano@newtonim.com) if you did not receive NIMNA’s brochure or if you have any questions about the contents of this supplement.**

**Item 2.**        **Educational Background and Business Experience**

Brock A. Campbell

**Year of Birth:** 1983

**Education:** Wheaton College – B.A.; Wheaton College – M.A.

Chartered Financial Analyst\*

**Business Background:**

Head of Global Equity Research and Portfolio Manager of NIMNA since 9/21

Head of Equity Research of Mellon from 2/21 to 8/21

Sr. Research Analyst of Mellon from 2/18 to 2/21

Sr. Research Analyst of The Boston Company Asset Management from 2/13 to 1/18

Jr. Research Analyst of The Boston Company Asset Management from 1/11 to 1/13

\*The Chartered Financial Analyst (CFA) charter is a globally accepted, graduate-level investment credential established in 1962 and awarded by CFA Institute. To earn the charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join the CFA Institute; and 4) commit to abide by, and annually reaffirm, adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct. The CFA Program curriculum covers a wide range of investment topics, including ethical and professional standards, fixed income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning. Please refer to the CFA Institute website at [www.cfainstitute.org](http://www.cfainstitute.org) for additional information.

**Item 3.**        **Disciplinary Information**

There is no disciplinary information to report.

**Item 4.**        **Other Business Activities**

There are no other business activities to report.

**Item 5.**        **Additional Compensation**

There is no additional compensation to report.

**Item 6.**      **Supervision**

Supervisor: John Porter, III

Title: Equity CIO

Telephone number: (617) 248-4696

Dedicated CIOs are assigned to oversee each of the investment strategy teams. Portfolios are reviewed on a continuous basis for any changes in positioning relative to benchmark, performance, attribution, dispersion and other characteristics. In addition to the investment review, independent portfolio risk management is conducted by our firm's Investment Risk Team.

NIMNA has a well-developed system of independent checks and balances to ensure compliance with our internal risk controls, regulatory requirements, and any client-mandated guidelines. We have a Risk and Compliance function that is independent from our investment professionals. NIMNA utilizes an automated order management system and compliance platform. Pre trade restrictions are coded on individual securities, countries, sectors, and market capitalization. NIMNA also completes a daily post-trade review to ensure adherence to all restrictions. Additionally, each account is reviewed periodically to ensure all restrictions are properly set up and in accordance with client documents.

**Joseph Corrado**  
One Boston Place  
201 Washington Street  
Boston, MA 02018  
(617) 248-6211

Newton Investment Management North America, LLC (“NIMNA”)  
One Boston Place  
201 Washington Street  
Boston, MA 02108  
(617) 248-3000

## **Form ADV, Part 2B**

**Pursuant to SEC rules and regulations, we prepared for you this brochure supplement because Joseph Corrado performs certain advisory services for you.**

**This brochure supplement provides information about Joseph Corrado that supplements NIMNA’s brochure. You should have received a copy of that brochure. Please contact NIMNA’s CCO Jaime Utano at (617) 722-3894 or [jaime.utano@newtonim.com](mailto:jaime.utano@newtonim.com) if you did not receive NIMNA’s brochure or if you have any questions about the contents of this supplement.**

**Item 2.**        **Educational Background and Business Experience**

Joseph Corrado

**Year of Birth:** 1955

**Education:** New York University – B.S.

Chartered Financial Analyst\*

**Business Background:**

Sr. Portfolio Manager of NIMNA since 9/21

Sr. Portfolio Manager of Mellon from 2/18 to 8/21

Sr. Managing Director of The Boston Company Asset Management from 7/09 to 1/18.

\*The Chartered Financial Analyst (CFA) charter is a globally accepted, graduate-level investment credential established in 1962 and awarded by CFA Institute. To earn the charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join the CFA Institute; and 4) commit to abide by, and annually reaffirm, adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct. The CFA Program curriculum covers a wide range of investment topics, including ethical and professional standards, fixed income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning. Please refer to the CFA Institute website at [www.cfainstitute.org](http://www.cfainstitute.org) for additional information.

**Item 3.**        **Disciplinary Information**

There is no disciplinary information to report.

**Item 4.**        **Other Business Activities**

There are no other business activities to report.

**Item 5.**        **Additional Compensation**

There is no additional compensation to report.



**Item 6.**      **Supervision**

Supervisor: John Porter, III

Title: Equity CIO

Telephone number: (617) 248-4696

Dedicated CIOs are assigned to oversee each of the investment strategy teams. Portfolios are reviewed on a continuous basis for any changes in positioning relative to benchmark, performance, attribution, dispersion and other characteristics. In addition to the investment review, independent portfolio risk management is conducted by our firm's Investment Risk Team.

NIMNA has a well-developed system of independent checks and balances to ensure compliance with our internal risk controls, regulatory requirements, and any client-mandated guidelines. We have a Risk and Compliance function that is independent from our investment professionals. NIMNA utilizes an automated order management system and compliance platform. Pre trade restrictions are coded on individual securities, countries, sectors, and market capitalization. NIMNA also completes a daily post-trade review to ensure adherence to all restrictions. Additionally, each account is reviewed periodically to ensure all restrictions are properly set up and in accordance with client documents.

**Brian C. Ferguson**  
One Boston Place  
201 Washington Street  
Boston, MA 02018  
(617) 722-3810

Newton Investment Management North America, LLC (“NIMNA”)  
One Boston Place  
201 Washington Street  
Boston, MA 02108  
(617) 248-3000

## **Form ADV, Part 2B**

**Pursuant to SEC rules and regulations, we prepared for you this brochure supplement because Brian C. Ferguson performs certain advisory services for you.**

**This brochure supplement provides information about Brian C. Ferguson that supplements NIMNA’s brochure. You should have received a copy of that brochure. Please contact NIMNA’s CCO Jaime Utano at (617) 722-3894 or [jaime.utano@newtonim.com](mailto:jaime.utano@newtonim.com) if you did not receive NIMNA’s brochure or if you have any questions about the contents of this supplement.**

**Item 2.**        **Educational Background and Business Experience**

Brian C. Ferguson

**Year of Birth:** 1968

**Education:** Bucknell University – B.A.; Columbia University – M.B.A.

**Business Background:**

Sr. Portfolio Manager of NIMNA since 9/21

Sr. Portfolio Manager of Mellon from 2/18 to 8/21

Sr. Managing Director of The Boston Company Asset Management from 7/09 to 1/18

**Item 3.**        **Disciplinary Information**

There is no disciplinary information to report.

**Item 4.**        **Other Business Activities**

There are no other business activities to report.

**Item 5.**        **Additional Compensation**

There is no additional compensation to report.

**Item 6.**        **Supervision**

Supervisor: John Porter, III

Title: Equity CIO

Telephone number: (617) 248-4696

Dedicated CIOs are assigned to oversee each of the investment strategy teams. Portfolios are reviewed on a continuous basis for any changes in positioning relative to benchmark, performance, attribution, dispersion and other characteristics. In addition to the investment review, independent portfolio risk management is conducted by our firm's Investment Risk Team.

NIMNA has a well-developed system of independent checks and balances to ensure compliance with our internal risk controls, regulatory requirements, and any client-mandated guidelines. We have a Risk and Compliance function that is independent from our investment professionals. NIMNA utilizes an automated order management system and compliance platform. Pre trade restrictions are coded on individual securities, countries, sectors, and market capitalization. NIMNA also completes a daily post-trade review to ensure adherence to all restrictions. Additionally, each account is reviewed periodically to ensure all restrictions are properly set up and in accordance with client documents.

**Frank Goguen**  
One Boston Place  
201 Washington Street  
Boston, MA 02018  
(617) 722-7145

Newton Investment Management North America, LLC (“NIMNA”)  
One Boston Place  
201 Washington Street  
Boston, MA 02108  
(617) 248-3000

## **Form ADV, Part 2B**

**Pursuant to SEC rules and regulations, we prepared for you this brochure supplement because Frank Goguen performs certain advisory services for you.**

**This brochure supplement provides information about Frank Goguen that supplements NIMNA’s brochure. You should have received a copy of that brochure. Please contact NIMNA’s CCO Jaime Utano at (617) 722-3894 or [jaime.utano@newtonim.com](mailto:jaime.utano@newtonim.com) if you did not receive NIMNA’s brochure or if you have any questions about the contents of this supplement.**

**Item 2.            Educational Background and Business Experience**

Frank Goguen

**Year of Birth:** 1970

**Education:** Boston College – B.S.; Bentley University – M.B.A.

Chartered Financial Analyst\*

**Business Background:**

Sr. Research Analyst and Portfolio Manager of NIMNA since 9/21

Sr. Research Analyst of Mellon from 2/18 to 8/21

Sr. Research Analyst of The Boston Company Asset Management from 1/06 to 12/17

\*The Chartered Financial Analyst (CFA) charter is a globally accepted, graduate-level investment credential established in 1962 and awarded by CFA Institute. To earn the charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join the CFA Institute; and 4) commit to abide by, and annually reaffirm, adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct. The CFA Program curriculum covers a wide range of investment topics, including ethical and professional standards, fixed income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning. Please refer to the CFA Institute website at [www.cfainstitute.org](http://www.cfainstitute.org) for additional information.

**Item 3.            Disciplinary Information**

There is no disciplinary information to report.

**Item 4.            Other Business Activities**

There are no other business activities to report.

**Item 5.            Additional Compensation**

There is no additional compensation to report.

**Item 6.**        **Supervision**

Supervisor: Brock Campbell

Title: Head of Global Equity Research and Portfolio Manager

Telephone number: (617) 722-7586

Dedicated CIOs are assigned to oversee each of the investment strategy teams. Portfolios are reviewed on a continuous basis for any changes in positioning relative to benchmark, performance, attribution, dispersion and other characteristics. In addition to the investment review, independent portfolio risk management is conducted by our firm's Investment Risk Team.

NIMNA has a well-developed system of independent checks and balances to ensure compliance with our internal risk controls, regulatory requirements, and any client-mandated guidelines. We have a Risk and Compliance function that is independent from our investment professionals. NIMNA utilizes an automated order management system and compliance platform. Pre trade restrictions are coded on individual securities, countries, sectors, and market capitalization. NIMNA also completes a daily post-trade review to ensure adherence to all restrictions. Additionally, each account is reviewed periodically to ensure all restrictions are properly set up and in accordance with client documents.

**Peter D. Goslin**  
One Boston Place  
201 Washington Street  
Boston, MA 02018  
(412) 236-5283

Newton Investment Management North America, LLC (“NIMNA”)  
One Boston Place  
201 Washington Street  
Boston, MA 02108  
(617) 248-3000

## **Form ADV, Part 2B**

**Pursuant to SEC rules and regulations, we prepared for you this brochure supplement because Peter D. Goslin performs certain advisory services for you.**

**This brochure supplement provides information about Peter D. Goslin that supplements NIMNA’s brochure. You should have received a copy of that brochure. Please contact NIMNA’s CCO Jaime Utano at (617) 722-3894 or [jaimе.utano@newtonim.com](mailto:jaimе.utano@newtonim.com) if you did not receive NIMNA’s brochure or if you have any questions about the contents of this supplement.**



**Item 2.**        **Educational Background and Business Experience**

Peter D. Goslin

**Year of Birth:** 1966

**Education:** Saint Vincent College – B.S.; University of Notre Dame – M.B.A.

Chartered Financial Analyst\*

**Business Background:**

Sr. Portfolio Manager of NIMNA since 9/21

Sr. Portfolio Manager of Mellon from 2/18 to 8/21

Sr. Portfolio Manager of Mellon Capital Management, LLC from 7/09 to 1/18

\*The Chartered Financial Analyst (CFA) charter is a globally accepted, graduate-level investment credential established in 1962 and awarded by CFA Institute. To earn the charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join the CFA Institute; and 4) commit to abide by, and annually reaffirm, adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct. The CFA Program curriculum covers a wide range of investment topics, including ethical and professional standards, fixed income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning. Please refer to the CFA Institute website at [www.cfainstitute.org](http://www.cfainstitute.org) for additional information.

**Item 3.**        **Disciplinary Information**

There is no disciplinary information to report.

**Item 4.**        **Other Business Activities**

Mr. Goslin acts as an officer of The Bank of New York Mellon, an affiliated New York chartered bank (the “Bank”).

**Item 5.**        **Additional Compensation**

There is no additional compensation to report.

**Item 6.      Supervision**

Supervisor: John Porter, III

Title: Equity CIO

Telephone number: (617) 248-4696

Dedicated CIOs are assigned to oversee each of the investment strategy teams. Portfolios are reviewed on a continuous basis for any changes in positioning relative to benchmark, performance, attribution, dispersion and other characteristics. In addition to the investment review, independent portfolio risk management is conducted by our firm's Investment Risk Team.

NIMNA has a well-developed system of independent checks and balances to ensure compliance with our internal risk controls, regulatory requirements, and any client-mandated guidelines. We have a Risk and Compliance function that is independent from our investment professionals. NIMNA utilizes an automated order management system and compliance platform. Pre trade restrictions are coded on individual securities, countries, sectors, and market capitalization. NIMNA also completes a daily post-trade review to ensure adherence to all restrictions. Additionally, each account is reviewed periodically to ensure all restrictions are properly set up and in accordance with client documents.

**Keith Howell Jr.**  
One Boston Place  
201 Washington Street  
Boston, MA 02018  
(617) 722-3956

Newton Investment Management North America, LLC (“NIMNA”)  
One Boston Place  
201 Washington Street  
Boston, MA 02108  
(617) 722-3956

## **Form ADV, Part 2B**

**Pursuant to SEC rules and regulations, we prepared for you this brochure supplement because Keith Howell Jr. performs certain advisory services for you.**

**This brochure supplement provides information about Keith Howell Jr. that supplements NIMNA’s brochure. You should have received a copy of that brochure. Please contact NIMNA’s CCO Jaime Utano at (617) 722-3894 or [jaimе.utano@newtonim.com](mailto:jaimе.utano@newtonim.com) if you did not receive NIMNA’s brochure or if you have any questions about the contents of this supplement.**

**Item 2.**        **Educational Background and Business Experience**

Keith Howell Jr.

**Year of Birth:** 1984

**Education:** Harvard University – A.B.

Chartered Financial Analyst\*

**Business Background:**

Portfolio Manager of NIMNA since 9/21

Sr. Research Analyst of Mellon from 2/18 to 8/21

Sr. Research Analyst of The Boston Company Asset Management from 6/06 to 1/18

\*The Chartered Financial Analyst (CFA) charter is a globally accepted, graduate-level investment credential established in 1962 and awarded by CFA Institute. To earn the charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join the CFA Institute; and 4) commit to abide by, and annually reaffirm, adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct. The CFA Program curriculum covers a wide range of investment topics, including ethical and professional standards, fixed income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning. Please refer to the CFA Institute website at [www.cfainstitute.org](http://www.cfainstitute.org) for additional information.

**Item 3.**        **Disciplinary Information**

There is no disciplinary information to report.

**Item 4.**        **Other Business Activities**

There are no other business activities to report.

**Item 5.**        **Additional Compensation**

There is no additional compensation to report.

**Item 6.      Supervision**

Supervisor: John Porter, III

Title: Equity CIO

Telephone number: (617) 248-4696

Dedicated CIOs are assigned to oversee each of the investment strategy teams. Portfolios are reviewed on a continuous basis for any changes in positioning relative to benchmark, performance, attribution, dispersion and other characteristics. In addition to the investment review, independent portfolio risk management is conducted by our firm's Investment Risk Team.

NIMNA has a well-developed system of independent checks and balances to ensure compliance with our internal risk controls, regulatory requirements, and any client-mandated guidelines. We have a Risk and Compliance function that is independent from our investment professionals. NIMNA utilizes an automated order management system and compliance platform. Pre trade restrictions are coded on individual securities, countries, sectors, and market capitalization. NIMNA also completes a daily post-trade review to ensure adherence to all restrictions. Additionally, each account is reviewed periodically to ensure all restrictions are properly set up and in accordance with client documents.

**David S. Intoppa**  
One Boston Place  
201 Washington Street  
Boston, MA 02018  
(617) 722-3556

Newton Investment Management North America, LLC (“NIMNA”)  
One Boston Place  
201 Washington Street  
Boston, MA 02108  
(617) 248-3000

## **Form ADV, Part 2B**

**Pursuant to SEC rules and regulations, we prepared for you this brochure supplement because David S. Intoppa performs certain advisory services for you.**

**This brochure supplement provides information about David S. Intoppa that supplements NIMNA’s brochure. You should have received a copy of that brochure. Please contact NIMNA’s CCO Jaime Utano at (617) 722-3894 or [jaime.utano@newtonim.com](mailto:jaime.utano@newtonim.com) if you did not receive NIMNA’s brochure or if you have any questions about the contents of this supplement.**

**Item 2.            Educational Background and Business Experience**

David S. Intoppa

**Year of Birth:** 1978

**Education:** Tufts University – B.S.; NYU Stern School of Business – M.B.A.

**Business Background:**

Portfolio Manager and Sr. Research Analyst of NIMNA since 9/21

Portfolio Manager and Sr. Research Analyst of Mellon from 1/20 to 8/21

Sr. Research Analyst of Mellon from 2/18 to 12/19

Sr. Research Analyst of Mellon Capital Management, LLC from 6/06 to 1/18

**Item 3.            Disciplinary Information**

There is no disciplinary information to report.

**Item 4.            Other Business Activities**

There are no other business activities to report.

**Item 5.            Additional Compensation**

There is no additional compensation to report.

**Item 6.      Supervision**

Supervisor: John Porter, III

Title: Equity CIO

Telephone number: (617) 248-4696

Dedicated CIOs are assigned to oversee each of the investment strategy teams. Portfolios are reviewed on a continuous basis for any changes in positioning relative to benchmark, performance, attribution, dispersion and other characteristics. In addition to the investment review, independent portfolio risk management is conducted by our firm's Investment Risk Team.

NIMNA has a well-developed system of independent checks and balances to ensure compliance with our internal risk controls, regulatory requirements, and any client-mandated guidelines. We have a Risk and Compliance function that is independent from our investment professionals. NIMNA utilizes an automated order management system and compliance platform. Pre trade restrictions are coded on individual securities, countries, sectors, and market capitalization. NIMNA also completes a daily post-trade review to ensure adherence to all restrictions. Additionally, each account is reviewed periodically to ensure all restrictions are properly set up and in accordance with client documents.



**Matthew Jenkin**  
One Boston Place  
201 Washington Street  
Boston, MA 02018  
(617) 722-7073

Newton Investment Management North America, LLC (“NIMNA”)  
One Boston Place  
201 Washington Street  
Boston, MA 02108  
(617) 248-3000

## **Form ADV, Part 2B**

**Pursuant to SEC rules and regulations, we prepared for you this brochure supplement because Matthew Jenkin performs certain advisory services for you.**

**This brochure supplement provides information about Matthew Jenkin that supplements NIMNA’s brochure. You should have received a copy of that brochure. Please contact NIMNA’s CCO Jaime Utano at (617) 722-3894 or [jaimе.utano@newtonim.com](mailto:jaimе.utano@newtonim.com) if you did not receive NIMNA’s brochure or if you have any questions about the contents of this supplement.**

**Item 2.**        **Educational Background and Business Experience**

Matthew Jenkin

**Year of Birth:** 1970

**Education:** Tulane University – B.S.; New York University, Stern School of Business – M.B.A.

**Business Background:**

Sr. Research Analyst/Portfolio Manager of NIMNA since 9/21

Sr. Research Analyst/Portfolio Manager of Mellon from 2/18 to 8/21

Sr. Research Analyst/Portfolio Manager of The Boston Company Asset Management from 2/15 to 1/18

**Item 3.**        **Disciplinary Information**

There is no disciplinary information to report.

**Item 4.**        **Other Business Activities**

There are no other business activities to report.

**Item 5.**        **Additional Compensation**

There is no additional compensation to report.

**Item 6.        Supervision**

Supervisor: Brock Campbell

Title: Head of Global Equity Research and Portfolio Manager

Telephone number: (617) 722-7586

Dedicated CIOs are assigned to oversee each of the investment strategy teams. Portfolios are reviewed on a continuous basis for any changes in positioning relative to benchmark, performance, attribution, dispersion and other characteristics. In addition to the investment review, independent portfolio risk management is conducted by our firm's Investment Risk Team.

NIMNA has a well-developed system of independent checks and balances to ensure compliance with our internal risk controls, regulatory requirements, and any client-mandated guidelines. We have a Risk and Compliance function that is independent from our investment professionals. NIMNA utilizes an automated order management system and compliance platform. Pre trade restrictions are coded on individual securities, countries, sectors, and market capitalization. NIMNA also completes a daily post-trade review to ensure adherence to all restrictions. Additionally, each account is reviewed periodically to ensure all restrictions are properly set up and in accordance with client documents.

**R. Patrick Kent**  
One Boston Place  
201 Washington Street  
Boston, MA 02018  
(617) 722-6917

Newton Investment Management North America, LLC (“NIMNA”)  
One Boston Place  
201 Washington Street  
Boston, MA 02108  
(617) 248-3000

## **Form ADV, Part 2B**

**Pursuant to SEC rules and regulations, we prepared for you this brochure supplement because R. Patrick Kent performs certain advisory services for you.**

**This brochure supplement provides information about R. Patrick Kent that supplements NIMNA’s brochure. You should have received a copy of that brochure. Please contact NIMNA’s CCO Jaime Utano at (617) 722-3894 or [jaimе.utano@newtonim.com](mailto:jaimе.utano@newtonim.com) if you did not receive NIMNA’s brochure or if you have any questions about the contents of this supplement.**

**Item 2.**            **Educational Background and Business Experience**

R. Patrick Kent

**Year of Birth:** 1973

**Education:** Bowdoin College – B.S.; Babson College – M.B.A

Chartered Financial Analyst\*

**Business Background:**

Sr. Portfolio Manager of NIMNA since 9/21

Sr. Portfolio Manager of Mellon from 2/18 to 8/21

Analyst and Portfolio Manager of Wellington Management from 1/11 to 1/18

\*The Chartered Financial Analyst (CFA) charter is a globally accepted, graduate-level investment credential established in 1962 and awarded by CFA Institute. To earn the charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join the CFA Institute; and 4) commit to abide by, and annually reaffirm, adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct. The CFA Program curriculum covers a wide range of investment topics, including ethical and professional standards, fixed income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning. Please refer to the CFA Institute website at [www.cfainstitute.org](http://www.cfainstitute.org) for additional information.

**Item 3.**            **Disciplinary Information**

There is no disciplinary information to report.

**Item 4.**            **Other Business Activities**

There are no other business activities to report.

**Item 5.**            **Additional Compensation**

There is no additional compensation to report.

**Item 6.      Supervision**

Supervisor: John Porter, III

Title: Equity CIO

Telephone number: (617) 248-4696

Dedicated CIOs are assigned to oversee each of the investment strategy teams. Portfolios are reviewed on a continuous basis for any changes in positioning relative to benchmark, performance, attribution, dispersion and other characteristics. In addition to the investment review, independent portfolio risk management is conducted by our firm's Investment Risk Team.

NIMNA has a well-developed system of independent checks and balances to ensure compliance with our internal risk controls, regulatory requirements, and any client-mandated guidelines. We have a Risk and Compliance function that is independent from our investment professionals. NIMNA utilizes an automated order management system and compliance platform. Pre trade restrictions are coded on individual securities, countries, sectors, and market capitalization. NIMNA also completes a daily post-trade review to ensure adherence to all restrictions. Additionally, each account is reviewed periodically to ensure all restrictions are properly set up and in accordance with client documents.

**Monty A. Kori**  
One Boston Place  
201 Washington Street  
Boston, MA 02018  
(617) 248-6265

Newton Investment Management North America, LLC (“NIMNA”)  
One Boston Place  
201 Washington Street  
Boston, MA 02108  
(617) 248-3000

## **Form ADV, Part 2B**

**Pursuant to SEC rules and regulations, we prepared for you this brochure supplement because Monty A. Kori performs certain advisory services for you.**

**This brochure supplement provides information about Monty A. Kori that supplements NIMNA’s brochure. You should have received a copy of that brochure. Please contact NIMNA’s CCO Jaime Utano at (617) 722-3894 or [jaimе.utano@newtonim.com](mailto:jaimе.utano@newtonim.com) if you did not receive NIMNA’s brochure or if you have any questions about the contents of this supplement.**

**Item 2.**        **Educational Background and Business Experience**

Monty A. Kori

**Year of Birth:** 1978

**Education:** John Hopkins University – B.S.; Northwestern University, Kellogg School of Management – M.B.A.

**Business Background:**

Sr. Research Analyst of NIMNA since 9/21

Sr. Research Analyst of Mellon from 2/18 to 8/21

Sr. Research Analyst of The Boston Company Asset Management from 7/17 to 1/18

Research Analyst and Portfolio Manager of Fidelity Investments from 8/06 to 12/16

**Item 3.**        **Disciplinary Information**

There is no disciplinary information to report.

**Item 4.**        **Other Business Activities**

There are no other business activities to report.

**Item 5.**        **Additional Compensation**

There is no additional compensation to report.



**Item 6.**      **Supervision**

Supervisor: Brock Campbell

Title: Head of Global Equity Research and Portfolio Manager

Telephone number: (617) 722-7586

Dedicated CIOs are assigned to oversee each of the investment strategy teams. Portfolios are reviewed on a continuous basis for any changes in positioning relative to benchmark, performance, attribution, dispersion and other characteristics. In addition to the investment review, independent portfolio risk management is conducted by our firm's Investment Risk Team.

NIMNA has a well-developed system of independent checks and balances to ensure compliance with our internal risk controls, regulatory requirements, and any client-mandated guidelines. We have a Risk and Compliance function that is independent from our investment professionals. NIMNA utilizes an automated order management system and compliance platform. Pre trade restrictions are coded on individual securities, countries, sectors, and market capitalization. NIMNA also completes a daily post-trade review to ensure adherence to all restrictions. Additionally, each account is reviewed periodically to ensure all restrictions are properly set up and in accordance with client documents.

**Andrew Leger**  
One Boston Place  
201 Washington Street  
Boston, MA 02018  
(617) 722-7729

Newton Investment Management North America, LLC (“NIMNA”)  
One Boston Place  
201 Washington Street  
Boston, MA 02108  
(617) 248-3000

## **Form ADV, Part 2B**

**Pursuant to SEC rules and regulations, we prepared for you this brochure supplement because Andrew Leger performs certain advisory services for you.**

**This brochure supplement provides information about Andrew Leger that supplements NIMNA’s brochure. You should have received a copy of that brochure. Please contact NIMNA’s CCO Jaime Utano at (617) 722-3894 or [jaime.utano@newtonim.com](mailto:jaime.utano@newtonim.com) if you did not receive NIMNA’s brochure or if you have any questions about the contents of this supplement.**

**Item 2.**        **Educational Background and Business Experience**

Andrew Leger

**Year of Birth:** 1975

**Education:** Wake Forest University – B.A.

**Business Background:**

Portfolio Manager of NIMNA since 9/21

Sr. Portfolio Manager and Sr. Research Analyst of Mellon from 2/18 to 8/21

Sr. Portfolio Manager and Sr. Research Analyst of The Boston Company Asset Management from 06/14 to 1/18

**Item 3.**        **Disciplinary Information**

There is no disciplinary information to report.

**Item 4.**        **Other Business Activities**

There are no other business activities to report.

**Item 5.**        **Additional Compensation**

There is no additional compensation to report.

**Item 6.      Supervision**

Supervisor: John Porter, III

Title: Equity CIO

Telephone number: (617) 248-4696

Dedicated CIOs are assigned to oversee each of the investment strategy teams. Portfolios are reviewed on a continuous basis for any changes in positioning relative to benchmark, performance, attribution, dispersion and other characteristics. In addition to the investment review, independent portfolio risk management is conducted by our firm's Investment Risk Team.

NIMNA has a well-developed system of independent checks and balances to ensure compliance with our internal risk controls, regulatory requirements, and any client-mandated guidelines. We have a Risk and Compliance function that is independent from our investment professionals. NIMNA utilizes an automated order management system and compliance platform. Pre trade restrictions are coded on individual securities, countries, sectors, and market capitalization. NIMNA also completes a daily post-trade review to ensure adherence to all restrictions. Additionally, each account is reviewed periodically to ensure all restrictions are properly set up and in accordance with client documents.

**James Lydotes**  
One Boston Place  
201 Washington Street  
Boston, MA 02018  
(617) 722-7742

Newton Investment Management North America, LLC (“NIMNA”)  
One Boston Place  
201 Washington Street  
Boston, MA 02108  
(617) 248-3000

## **Form ADV, Part 2B**

**Pursuant to SEC rules and regulations, we prepared for you this brochure supplement because James Lydotes performs certain advisory services for you.**

**This brochure supplement provides information about James Lydotes that supplements NIMNA’s brochure. You should have received a copy of that brochure. Please contact NIMNA’s CCO Jaime Utano at (617) 722-3894 or [jaime.utano@newtonim.com](mailto:jaime.utano@newtonim.com) if you did not receive NIMNA’s brochure or if you have any questions about the contents of this supplement.**

**Item 2.**        **Educational Background and Business Experience**

James Lydotes

**Year of Birth:** 1976

**Education:** Syracuse University – B.A.

Chartered Financial Analyst\*

**Business Background:**

Sr. Portfolio Manager of NIMNA since 9/21

Sr. Portfolio Manager of Mellon from 2/18 to 8/21

Managing Director of The Boston Company Asset Management from 10/15 to 1/18

Director of The Boston Company Asset Management from 07/14 to 9/15

\*The Chartered Financial Analyst (CFA) charter is a globally accepted, graduate-level investment credential established in 1962 and awarded by CFA Institute. To earn the charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join the CFA Institute; and 4) commit to abide by, and annually reaffirm, adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct. The CFA Program curriculum covers a wide range of investment topics, including ethical and professional standards, fixed income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning. Please refer to the CFA Institute website at [www.cfainstitute.org](http://www.cfainstitute.org) for additional information.

**Item 3.**        **Disciplinary Information**

There is no disciplinary information to report.

**Item 4.**        **Other Business Activities**

Mr. Lydotes acts as an officer of The Bank of New York Mellon, an affiliated New York chartered bank (the “Bank”).

**Item 5.**        **Additional Compensation**

There is no additional compensation to report.

**Item 6.      Supervision**

Supervisor: John R. Porter, III

Title: Equity CIO

Telephone number: (617) 722-4696

Dedicated CIOs are assigned to oversee each of the investment strategy teams. Portfolios are reviewed on a continuous basis for any changes in positioning relative to benchmark, performance, attribution, dispersion and other characteristics. In addition to the investment review, independent portfolio risk management is conducted by our firm's Investment Risk Team.

NIMNA has a well-developed system of independent checks and balances to ensure compliance with our internal risk controls, regulatory requirements, and any client-mandated guidelines. We have a Risk and Compliance function that is independent from our investment professionals. NIMNA utilizes an automated order management system and compliance platform. Pre trade restrictions are coded on individual securities, countries, sectors, and market capitalization. NIMNA also completes a daily post-trade review to ensure adherence to all restrictions. Additionally, each account is reviewed periodically to ensure all restrictions are properly set up and in accordance with client documents.

**Julianne D. McHugh**  
One Boston Place  
201 Washington Street  
Boston, MA 02018  
(617) 722-7863

Newton Investment Management North America, LLC (“NIMNA”)  
One Boston Place  
201 Washington Street  
Boston, MA 02108  
(617) 248-3000

## **Form ADV, Part 2B**

**Pursuant to SEC rules and regulations, we prepared for you this brochure supplement because Julianne D. McHugh performs certain advisory services for you.**

**This brochure supplement provides information about Julianne D. McHugh that supplements NIMNA’s brochure. You should have received a copy of that brochure. Please contact NIMNA’s CCO Jaime Utano at (617) 722-3894 or [jaime.utano@newtonim.com](mailto:jaime.utano@newtonim.com) if you did not receive NIMNA’s brochure or if you have any questions about the contents of this supplement.**



**Item 2.**        **Educational Background and Business Experience**

Julianne D. McHugh

**Year of Birth:** 1970

**Education:** Lehigh University – B.S.; M.I.T. Sloan School of Management – M.B.A.

**Business Background:**

Sr. Portfolio Manager of NIMNA since 9/21

Sr. Portfolio Manager of Mellon from 2/18 to 8/21

Portfolio Manager of The Boston Company Asset Management from 7/9 to 1/18

**Item 3.**        **Disciplinary Information**

There is no disciplinary information to report.

**Item 4.**        **Other Business Activities**

There are no other business activities to report.

**Item 5.**        **Additional Compensation**

There is no additional compensation to report.

**Item 6.      Supervision**

Supervisor: John Porter, III

Title: Equity CIO

Telephone number: (617) 248-4696

Dedicated CIOs are assigned to oversee each of the investment strategy teams. Portfolios are reviewed on a continuous basis for any changes in positioning relative to benchmark, performance, attribution, dispersion and other characteristics. In addition to the investment review, independent portfolio risk management is conducted by our firm's Investment Risk Team.

NIMNA has a well-developed system of independent checks and balances to ensure compliance with our internal risk controls, regulatory requirements, and any client-mandated guidelines. We have a Risk and Compliance function that is independent from our investment professionals. NIMNA utilizes an automated order management system and compliance platform. Pre trade restrictions are coded on individual securities, countries, sectors, and market capitalization. NIMNA also completes a daily post-trade review to ensure adherence to all restrictions. Additionally, each account is reviewed periodically to ensure all restrictions are properly set up and in accordance with client documents.

**Jonathan Piskorowski**

One Boston Place  
201 Washington Street  
Boston, MA 02018  
(617) 722-7289

Newton Investment Management North America, LLC (“NIMNA”)

One Boston Place  
201 Washington Street  
Boston, MA 02108  
(617) 248-3000

**Form ADV, Part 2B**

**Pursuant to SEC rules and regulations, we prepared for you this brochure supplement because Jonathan Piskorowski performs certain advisory services for you.**

**This brochure supplement provides information about Jonathan Piskorowski that supplements NIMNA’s brochure. You should have received a copy of that brochure. Please contact NIMNA’s CCO Jaime Utano at (617) 722-3894 or [jaime.utano@newtonim.com](mailto:jaime.utano@newtonim.com) if you did not receive NIMNA’s brochure or if you have any questions about the contents of this supplement.**

**Item 2.**        **Educational Background and Business Experience**

Jonathan Piskorowski

**Year of Birth:** 1977

**Education:** Dartmouth College – B.A.; MIT Sloan School of Management – M.B.A.

Chartered Financial Analyst\*

**Business Background:**

Portfolio Manager and Sr. Research Analyst of NIMNA since 9/21

Sr. Research Analyst of Mellon from 2/18 to 8/21

Director of The Boston Company Asset Management from 6/06 to 1/18

\*The Chartered Financial Analyst (CFA) charter is a globally accepted, graduate-level investment credential established in 1962 and awarded by CFA Institute. To earn the charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join the CFA Institute; and 4) commit to abide by, and annually reaffirm, adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct. The CFA Program curriculum covers a wide range of investment topics, including ethical and professional standards, fixed income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning. Please refer to the CFA Institute website at [www.cfainstitute.org](http://www.cfainstitute.org) for additional information.

**Item 3.**        **Disciplinary Information**

There is no disciplinary information to report.

**Item 4.**        **Other Business Activities**

There are no other business activities to report.

**Item 5.**        **Additional Compensation**

There is no additional compensation to report.

**Item 6.**      **Supervision**

Supervisor: Brock Campbell

Title: Head of Global Equity Research and Portfolio Manager

Telephone number: (617) 722-7586

Dedicated CIOs are assigned to oversee each of the investment strategy teams. Portfolios are reviewed on a continuous basis for any changes in positioning relative to benchmark, performance, attribution, dispersion and other characteristics. In addition to the investment review, independent portfolio risk management is conducted by our firm's Investment Risk Team.

NIMNA has a well-developed system of independent checks and balances to ensure compliance with our internal risk controls, regulatory requirements, and any client-mandated guidelines. We have a Risk and Compliance function that is independent from our investment professionals. NIMNA utilizes an automated order management system and compliance platform. Pre trade restrictions are coded on individual securities, countries, sectors, and market capitalization. NIMNA also completes a daily post-trade review to ensure adherence to all restrictions. Additionally, each account is reviewed periodically to ensure all restrictions are properly set up and in accordance with client documents.

**John R. Porter, III**  
One Boston Place  
201 Washington Street  
Boston, MA 02018  
(617) 248-4696

Newton Investment Management North America, LLC (“NIMNA”)  
One Boston Place  
201 Washington Street  
Boston, MA 02108  
(617) 248-3000

## **Form ADV, Part 2B**

**Pursuant to SEC rules and regulations, we prepared for you this brochure supplement because John R. Porter, III performs certain advisory services for you.**

**This brochure supplement provides information about John R. Porter, III that supplements NIMNA’s brochure. You should have received a copy of that brochure. Please contact NIMNA’s CCO Jaime Utano at (617) 722-3894 or [jaime.utano@newtonim.com](mailto:jaime.utano@newtonim.com) if you did not receive NIMNA’s brochure or if you have any questions about the contents of this supplement.**

**Item 2.**        **Educational Background and Business Experience**

John R. Porter, III

**Year of Birth:** 1967

**Education:** University of Michigan – B.S. & M.S.; University of Chicago – M.B.A.

**Business Background:**

Equity CIO of NIMNA since 9/21

Active Equity CIO of Mellon from 11/18 to 8/21

Sr. Portfolio Manager of Mellon from 1/18 to 11/18

Sr. Managing Director of The Boston Company Asset Management from 8/16 to 1/18

President of Seaward Management from 9/13 to 8/16

**Item 3.**        **Disciplinary Information**

There is no disciplinary information to report.

**Item 4.**        **Other Business Activities**

Mr. Porter is registered as a Principal of NIMNA with the National Futures Association. Mr. Porter acts as an officer of The Bank of New York Mellon, an affiliated New York chartered bank (the “Bank”).

**Item 5.**        **Additional Compensation**

There is no additional compensation to report.

**Item 6.**        **Supervision**

Supervisor: Euan Munro

Title: Newton Investment Management CEO

Telephone number: +44 (0) 2071637470

Dedicated CIOs are assigned to oversee each of the investment strategy teams. Portfolios are reviewed on a continuous basis for any changes in positioning relative to benchmark, performance, attribution, dispersion and other characteristics. In addition to the investment review, independent portfolio risk management is conducted by our firm's Investment Risk Team.

NIMNA has a well-developed system of independent checks and balances to ensure compliance with our internal risk controls, regulatory requirements, and any client-mandated guidelines. We have a Risk and Compliance function that is independent from our investment professionals. NIMNA utilizes an automated order management system and compliance platform. Pre trade restrictions are coded on individual securities, countries, sectors, and market capitalization. NIMNA also completes a daily post-trade review to ensure adherence to all restrictions. Additionally, each account is reviewed periodically to ensure all restrictions are properly set up and in accordance with client documents.



**Edward Walter**  
One Boston Place  
201 Washington Street  
Boston, MA 02018  
(617) 248-6279

Newton Investment Management North America, LLC (“NIMNA”)  
One Boston Place  
201 Washington Street  
Boston, MA 02108  
(617) 248-3000

## **Form ADV, Part 2B**

**Pursuant to SEC rules and regulations, we prepared for you this brochure supplement because Edward Walter performs certain advisory services for you.**

**This brochure supplement provides information about Edward Walter that supplements NIMNA’s brochure. You should have received a copy of that brochure. Please contact NIMNA’s CCO Jaime Utano at (617) 722-3894 or [jaime.utano@newtonim.com](mailto:jaime.utano@newtonim.com) if you did not receive NIMNA’s brochure or if you have any questions about the contents of this supplement.**

**Item 2.**        **Educational Background and Business Experience**

Edward Walter

**Year of Birth:** 1967

**Education:** Villanova University – B.S.

Chartered Financial Analyst\*

**Business Background:**

Sr. Portfolio Manager of NIMNA since 9/21

Sr. Portfolio Manager of Mellon from 2/18 to 8/21

Managing Director of The Boston Company Asset Management from 7/09 to 1/18

\*The Chartered Financial Analyst (CFA) charter is a globally accepted, graduate-level investment credential established in 1962 and awarded by CFA Institute. To earn the charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join the CFA Institute; and 4) commit to abide by, and annually reaffirm, adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct. The CFA Program curriculum covers a wide range of investment topics, including ethical and professional standards, fixed income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning. Please refer to the CFA Institute website at [www.cfainstitute.org](http://www.cfainstitute.org) for additional information.

**Item 3.**        **Disciplinary Information**

There is no disciplinary information to report.

**Item 4.**        **Other Business Activities**

There are no other business activities to report.

**Item 5.**        **Additional Compensation**

There is no additional compensation to report.

**Item 6.      Supervision**

Supervisor: Patrick Kent

Title: Sr. Portfolio Manager

Telephone number: (617) 722- 6917

Dedicated CIOs are assigned to oversee each of the investment strategy teams. Portfolios are reviewed on a continuous basis for any changes in positioning relative to benchmark, performance, attribution, dispersion and other characteristics. In addition to the investment review, independent portfolio risk management is conducted by our firm's Investment Risk Team.

NIMNA has a well-developed system of independent checks and balances to ensure compliance with our internal risk controls, regulatory requirements, and any client-mandated guidelines. We have a Risk and Compliance function that is independent from our investment professionals. NIMNA utilizes an automated order management system and compliance platform. Pre trade restrictions are coded on individual securities, countries, sectors, and market capitalization. NIMNA also completes a daily post-trade review to ensure adherence to all restrictions. Additionally, each account is reviewed periodically to ensure all restrictions are properly set up and in accordance with client documents.

**Robert Zeuthen**  
One Boston Place  
201 Washington Street  
Boston, MA 02018  
(617) 722-7660

Newton Investment Management North America, LLC (“NIMNA”)  
One Boston Place  
201 Washington Street  
Boston, MA 02108  
(617) 248-3000

## **Form ADV, Part 2B**

**Pursuant to SEC rules and regulations, we prepared for you this brochure supplement because Robert Zeuthen performs certain advisory services for you.**

**This brochure supplement provides information about Robert Zeuthen that supplements NIMNA’s brochure. You should have received a copy of that brochure. Please contact NIMNA’s CCO Jaime Utano at (617) 722-3894 or [jaime.utano@newtonim.com](mailto:jaime.utano@newtonim.com) if you did not receive NIMNA’s brochure or if you have any questions about the contents of this supplement.**

**Item 2.**        **Educational Background and Business Experience**

Robert Zeuthen

**Year of Birth:** 1968

**Education:** Boston College – B.S.

Chartered Financial Analyst\*

**Business Background:**

Sr. Portfolio Manager of NIMNA since 9/21

Sr. Portfolio Manager of Mellon from 2/18 to 8/21

Managing Director of The Boston Company Asset Management from 7/13 to 1/18

\*The Chartered Financial Analyst (CFA) charter is a globally accepted, graduate-level investment credential established in 1962 and awarded by CFA Institute. To earn the charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join the CFA Institute; and 4) commit to abide by, and annually reaffirm, adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct. The CFA Program curriculum covers a wide range of investment topics, including ethical and professional standards, fixed income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning. Please refer to the CFA Institute website at [www.cfainstitute.org](http://www.cfainstitute.org) for additional information.

**Item 3.**        **Disciplinary Information**

There is no disciplinary information to report.

**Item 4.**        **Other Business Activities**

There are no other business activities to report.

**Item 5.**        **Additional Compensation**

There is no additional compensation to report.

**Item 6.      Supervision**

Supervisor: Patrick Kent

Title: Sr. Portfolio Manager

Telephone number: (617) 722-6917

Dedicated CIOs are assigned to oversee each of the investment strategy teams. Portfolios are reviewed on a continuous basis for any changes in positioning relative to benchmark, performance, attribution, dispersion and other characteristics. In addition to the investment review, independent portfolio risk management is conducted by our firm's Investment Risk Team.

NIMNA has a well-developed system of independent checks and balances to ensure compliance with our internal risk controls, regulatory requirements, and any client-mandated guidelines. We have a Risk and Compliance function that is independent from our investment professionals. NIMNA utilizes an automated order management system and compliance platform. Pre trade restrictions are coded on individual securities, countries, sectors, and market capitalization. NIMNA also completes a daily post-trade review to ensure adherence to all restrictions. Additionally, each account is reviewed periodically to ensure all restrictions are properly set up and in accordance with client documents.

# WALTER SCOTT

---

➤ BNY MELLON | INVESTMENT MANAGEMENT

## FORM ADV PART 2A

Brochure

As of 29th March 2024

---

**Walter Scott & Partners Limited**

**One Charlotte Square, Edinburgh, EH2 4DR, United Kingdom**

**Tel: +44 131 225 1357**

This Brochure (“Brochure”) provides information about the qualifications and business practices of Walter Scott & Partners Limited (“Walter Scott”, “we” or “us”). If you have any questions about the contents of this Brochure, please contact us at +44 131 225 1357 or [compliance@walterscott.com](mailto:compliance@walterscott.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Walter Scott is registered with the SEC as an investment adviser. Registration of an investment adviser does not imply any level of skill or training.

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

# WALTER SCOTT

## 1. **SUMMARY OF MATERIAL CHANGES**

Walter Scott & Partners Limited last annual update of this Brochure was on 31 March 2023. There have been no material changes made during this latest annual update.



# WALTER SCOTT

---

## CONTENTS

2.	Advisory Business.....	5
3.	Fees and Compensation.....	5
3.1.	Asset Based Fees.....	5
3.2.	Performance Fees.....	6
3.3.	Advance Payments.....	7
3.4.	Referral Fees.....	7
4.	Performance Fees and Side-by-Side Management.....	7
4.1.	Conflicts of Interest Relating to Performance Based Fees When Engaging in Side-by-Side Management.....	8
4.2.	Conflicts of Interest Relating to Accounts with Different Strategies.....	8
4.3.	Conflicts of Interest Relating to the Management of Multiple Client Accounts.....	8
4.4.	Conflicts of Interest Relating to "Proprietary Accounts".....	8
4.5.	Other Conflicts of Interest.....	8
5.	Types of Clients.....	9
5.1.	Account Requirements.....	9
5.2.	Methods of Analysis, Investment Strategies and Risk of Loss.....	9
5.3.	Material Risks.....	11
5.4.	Descriptions of Investment Risks.....	12
5.5.	Disciplinary Information.....	15
6.	Other Financial Industry Activities and Affiliations.....	15
6.1.	BNY Mellon is a Global Financial Services Company.....	15
6.2.	BNY Mellon's Status as a Bank Holding Company.....	15
6.3.	The Volcker Rule.....	16
6.4.	Walter Scott Incentive Compensation Plan.....	16
6.5.	Affiliated Placement Agents.....	16
6.6.	Affiliated Revenue Share Arrangements.....	17
6.7.	Affiliated Service Providers.....	17
6.8.	Affiliated Broker-Dealers and Investment Advisers.....	17
6.9.	Affiliated Underwriters.....	18
6.10.	Affiliated Wrap Sponsors.....	18
6.11.	Affiliated Banking Institutions.....	18
6.12.	Other Relationships.....	19
7.	Code of Ethics, Participation or Interest in Client Transactions, Personal Trading.....	19
7.1.	BNY Mellon Code of Conduct.....	19
7.2.	BNY Mellon Personal Securities Trading Policy.....	20
7.3.	Walter Scott Personal Securities Trading Policy.....	21
7.3.1.	Disclosure / Pre-clearance.....	22
7.3.2.	Pre-clearance Required.....	22
7.3.3.	Prohibited Investments.....	22
7.3.4.	Reporting.....	22
7.3.5.	Outside Interests / Private Placement.....	22
7.3.6.	Short Term Trading / Disgorgement.....	22
7.4.	Interest in Client Transactions.....	233
8.	Brokerage Practices.....	23
8.1.	Broker Selection.....	23
8.2.	Soft Dollars.....	24
8.3.	Foreign Exchange (FX) Trading.....	24
8.4.	Disclosure on non-discretionary (model portfolio) accounts.....	24
8.5.	Other Brokerage Practices Conflict of Interest.....	24
8.5.1.	Affiliated Broker-Dealers.....	24
8.5.2.	Compensation for Client Referrals.....	24
8.5.3.	Brokerage for Client Referrals.....	24
8.5.4.	Brokers Affiliated to Clients.....	25
8.5.5.	Client Directed Brokerage/Commission Recapture.....	25
8.6.	Trade Aggregation and Trade Allocation.....	25
8.7.	Error Correction.....	26
9.	Review of Accounts.....	26
9.1.	Investment Review.....	26
9.2.	Reporting to Clients.....	26
10.	Client Referrals and Other Compensation.....	26

# WALTER SCOTT

---

10.1.	Affiliated Solicitors and Placement Agents .....	26
10.2.	Other Compensation .....	27
11.	Custody .....	27
12.	Investment Discretion .....	27
13.	Voting Client Securities .....	28
14.	Review and Monitoring of Proxy Voting .....	28
15.	Conflicts of Interest .....	28
16.	Voting Guidelines .....	29
17.	Legal Proceedings (including class actions) .....	29
18.	Financial Information .....	29

# WALTER SCOTT

---

## 2. ADVISORY BUSINESS

Walter Scott is a limited liability company incorporated in Scotland. We are an indirect subsidiary of The Bank of New York Mellon Corporation (“BNY Mellon”). We have been providing investment advisory services since 1983. Prior to October 2006 and the acquisition by Mellon Financial Corporation, Walter Scott was independently owned. We provide discretionary investment advisory services to institutional investors in the form of separate accounts, registered mutual funds, pooled investment vehicles and other funds that are exempt from registration in the jurisdiction in which they are domiciled, and to other investment advisers through sub-advisory agreements. In addition, we act as a model provider for a number of wrap accounts.

To the extent that Walter Scott provides investment advice to a municipal entity or an obligated person regarding the investment of proceeds of a municipal security, such advice will be given solely in our capacity as an investment adviser.

Our client base is global and, as such, Walter Scott is registered with a number of regulatory bodies worldwide in the jurisdictions in which we conduct business. Our primary regulator is the Financial Conduct Authority (“FCA”), 12 Endeavour Square, London, E20 1JN, UK, web: [www.fca.org.uk](http://www.fca.org.uk). We are authorized to perform asset management services in the UK.

Additionally, we are registered with the Financial Sector Conduct Authority in South Africa. In Canada, Walter Scott is registered as an Exempt Market Dealer (“EMD”) (through which we offer certain investment vehicles on a private placement basis) in all Canadian provinces (Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland & Labrador, Nova Scotia, Ontario, Prince Edward Island, Quebec and Saskatchewan) and we also avail ourselves of the International Adviser Exemption (“IAE”) in these same provinces with the exception of Prince Edward Island, and rely on the International Sub-Adviser Exemption (ISAE) in certain provinces. Each of the EMD registration and our reliance on the IAE/ISAE are in compliance with National Instrument 31-103, Registration Requirements, Exemptions and Ongoing Registrant Obligations. We operate in Australia under an Australian Securities and Investments Commissions Class Order 03/1099 exemption and in Japan under the offshore investment manager exemption. Since June 2017 Walter Scott has had an agreement with BNY Mellon Singapore whereby BNY Mellon, as approved under the Monetary Authority of Singapore (MAS), provides services in Singapore on behalf of Walter Scott. These services are provided under the Cross Border Rules.

We are a ‘long only’ global equity manager. We work with clients to create investment guidelines mutually acceptable to the client and us. When creating investment guidelines, clients are able to impose investment restrictions in certain individual securities or types of securities. The strategies in which we invest client assets and the standard fees we receive for managing such strategies are described below.

We provide non-discretionary sub-advisory services to wrap program sponsors by providing a model portfolio. We do not act as program sponsor nor do we conduct physical trading for any of these programs. The model portfolios are managed in a similar way to our segregated accounts from an investment perspective. From an operational perspective these accounts are treated differently as we do not place trades with a broker but transmit our investment decisions and portfolio changes to the program sponsors for execution please see item 12.4 in this brochure for further information. We receive a fee for these services from the program sponsor.

BNY Mellon International Asset Management (Holdings) owns 100% of Walter Scott.

We manage \$82.5 billion as of 31 December 2023 on a discretionary basis and \$1.5 billion on a non-discretionary basis.

## 3. FEES AND COMPENSATION

### 3.1. ASSET BASED FEES

We provide investment advisory separate account services for a fee. This fee is typically charged as a percentage of assets under management. Although this fee is typically expressed as an annual percentage, for most clients it is calculated based on month end valuations and invoiced on a quarterly basis in arrears. Some clients choose to be invoiced monthly rather than quarterly. Some clients opt for the calculation to be based on the average daily valuations and invoiced on either a monthly or

# WALTER SCOTT

---

quarterly basis in arrears. The investment advisory agreement in most instances provides that clients will incur fees and expenses in addition to Walter Scott's advisory fees such as custody, brokerage and other transaction costs, administrative and other expenses. Examples of other costs and expenses may include odd-lot differentials, transfer taxes, wire transfer fees and electronic fund fees. Please review your investment advisory agreement for further information on how we charge and collect fees. Please see Item 12 of this brochure for more information on our brokerage practices.

Investment management fees are exclusive of custody which is normally the subject of a separate appointment and agreement between the client and the custody provider.

## **Separate Accounts - All strategies, unless otherwise noted below**

Initial funding in excess of US\$50m		
On the first \$100m	@	0.75%
Thereafter	@	0.50%

Initial Funding in excess of US\$250m		
First \$250m	@	0.55%
Next \$250m	@	0.50%
Next \$250m	@	0.45%
Next \$250m	@	0.40%
Thereafter	@	0.35%

Initial Funding in excess of US\$500m		
First \$500m	@	0.50%
Next \$250m	@	0.45%
Next \$250m	@	0.40%
Thereafter	@	0.35%

In the case of initial funding in excess of \$1bn, fees are negotiable.

## **Separate Accounts - Dividend Growth**

Initial funding in excess of US\$50m		
Flat fee	@	0.30%

plus 10% of the 12 month trailing dividend yield.

## **Separate Accounts – US**

Flat fee	@	0.50%
----------	---	-------

In the case of initial funding in excess of \$250m, fees are negotiable.

## **3 . 2 . PERFORMANCE FEES**

Performance fees for a small number of accounts have been negotiated. Most of these arrangements provide for an asset based management fee, based on the market value of the account at specified quarter ends, plus a performance fee based on the portfolio's net return in excess of a specified benchmark during a designated period of time. Such arrangements only occur in accordance with the requirements set forth at Section 205(b) and Rule 205-3 under the Investment Advisers Act.

For reference, the fees are:

### **Initial Funding up to US\$100m:**

Base Fee @ 0.35%  
Perf Fee @ 15% outperformance of benchmark

### **Initial Funding in excess of US\$100m:**

Base Fee @ 0.30%  
Perf Fee @ 15% outperformance of benchmark

# WALTER SCOTT

---

## **Initial Funding in excess of US\$250m:**

Fees negotiable

We reserve the right, at our sole discretion, to negotiate or modify (either up or down) the basic fee schedule(s) set forth above for any client due to a variety of factors, including but not limited to: the level of reporting and administrative operations required to service an account, the investment strategy or style, the number of portfolios or accounts involved, and/or the number and types of services provided to the client. In addition, a portion of our negotiated fee rates can be paid by one or more of our affiliates pursuant to separate client agreements and in support of enterprise-wide initiatives or mandates. Because our fees are negotiable, the actual fee paid by any client or group of clients may be different from the fees reflected in Walter Scott's basic fee schedules set forth above.

### **3.3. ADVANCE PAYMENTS**

Walter Scott does not typically seek advance payments of any sort, however, several clients have elected to pay fees in advance as separately documented in their investment management agreements. None of these fees are paid six months or more in advance. Should any of the relevant advisory contracts be terminated before the end of the billing period the refund would be determined by calculating the actual amount of fees due based on the actual values versus the fees received which were based upon estimated values.

### **3.4. REFERRAL FEES**

We do not charge or receive compensation in connection with the sale of securities/private funds/mutual funds/ or other investment products. However, certain employees of Walter Scott's affiliates accept compensation (also referred to as "commissions") for the sale of private funds/mutual funds. Accepting commissions for the sale of private funds/mutual funds gives rise to a conflict of interest in that it gives affiliated employees an incentive to recommend investment products based on the compensation they will receive, rather than solely on a client's needs. Please refer to Item 6, for a discussion of these conflicts of interest. This is disclosed to clients through our Conflicts of Interest Policy which is provided to clients at the start of the relationship.

### **4. PERFORMANCE FEES AND SIDE-BY-SIDE MANAGEMENT**

Our performance based fee arrangements and our side-by-side management activities entail inherent conflicts that are described in this Item 6.

Note that we manage our accounts consistent with applicable law, and we follow procedures that are reasonably designed to treat our clients fairly and to prevent any client or group of clients from being systematically favored or disadvantaged. For example, we have trade allocation policies and procedures which are designed and implemented to ensure that all clients are treated fairly, and to prevent these conflicts from influencing the allocation of investment opportunities among clients. Please see Item 12 for an explanation of our trade allocation policies and procedures.

We have entered into a small number of performance based fee arrangements with segregated account clients and investors in non-US pooled investment vehicles. Most of these arrangements provide for an asset based management fee, based on the market value of the account at specified month/quarter ends, plus a performance fee based on the portfolio's gross or net return in excess of a specified benchmark during a designated period of time subject typically to performance being positive. There is no high watermark based on assets under management, therefore, the performance fee has to include unrealized gains and losses.

"Side-by-side management" refers to our simultaneous management of multiple types of client accounts. For example, we manage separate accounts, managed accounts, mutual funds, pooled investment vehicles and wrap accounts for clients at the same time. Our clients have a variety of investment objectives, policies, strategies, limitations and restrictions. Our affiliates likewise manage a variety of separate accounts, managed accounts, and pooled investment vehicles.

Side-by-side management gives rise to a variety of potential and actual conflicts of interest for us, our employees and our supervised persons. Below are the conflicts that we and our employees and supervised persons face when engaging in side-by-side management and how we deal with them.

# WALTER SCOTT

---

## 4.1. CONFLICTS OF INTEREST RELATING TO PERFORMANCE BASED FEES WHEN ENGAGING IN SIDE-BY-SIDE MANAGEMENT

We manage accounts that are charged a performance-based fee and other accounts that are charged a different type of fee, such as an asset-based fee. We have a theoretical financial incentive to favor accounts with performance-based fees because we (and our employees and supervised persons) have an opportunity to earn greater fees on such accounts as compared to client accounts without performance-based fees. Thus, Walter Scott has an incentive to direct its best investment ideas to client accounts that pay performance-based fees, and to allocate, aggregate or sequence trades in favor of such accounts. Walter Scott also has an incentive to give accounts with performance-based fees better execution and better brokerage commissions. Portfolios of clients with a performance-based fee structure have a very high degree of commonality with those portfolios which are charged on an asset based fee. As noted above, we have policies and procedures in place to ensure we do not favor performance-based fee clients. Please refer to Item 12 for more information.

## 4.2. CONFLICTS OF INTEREST RELATING TO ACCOUNTS WITH DIFFERENT STRATEGIES

We are a 'long only' global equity manager and do not utilize futures, options, other derivatives or short selling in order to realize profits. Similarly, we do not invest in illiquid securities. As a result, we do not believe any conflicts arise in managing accounts with different strategies.

## 4.3. CONFLICTS OF INTEREST RELATING TO THE MANAGEMENT OF MULTIPLE CLIENT ACCOUNTS

We and our affiliates perform investment advisory services for various clients. In many instances we give advice and take action in the performance of our duties with respect to certain of our other clients which differs from the advice given, or the timing or nature of action taken, with respect to another client. We have no obligation to purchase or sell for a client any security or other property which we purchase or sell for the account of any other client, if it is undesirable or impracticable to take such action.

## 4.4. CONFLICTS OF INTEREST RELATING TO "PROPRIETARY ACCOUNTS"

Our personal securities trading policy discourages individual trading in securities but encourages long term savings through investment funds some of which may be proprietary funds. We, our affiliates, and our existing and future employees from time to time manage and/or invest in products managed by Walter Scott ("Proprietary Accounts"). Investment by Walter Scott, its affiliates, or its employees in Proprietary Accounts creates conflicts of interest as we could be perceived to have an incentive to favor these Proprietary Accounts by for example, directing our best investment ideas to these Accounts or allocating, aggregating or sequencing trades in favor of such Accounts, to the disadvantage of other accounts. We also have an incentive to dedicate more time and attention to our Proprietary Accounts and give them better execution and brokerage commissions than our other client Accounts. However, these Proprietary Accounts are also client accounts and treated in the same manner as all other client accounts. Please refer to Item 12 for more information.

Employees can invest in three funds which are sponsored by BNY Mellon with us acting as investment adviser. One of these funds is also utilized as part of the long-term incentive plan where shares are held in the name of a nominee company until the deferred period has lapsed. At this stage the vested shares are transferred to individual employees names thereafter assuming the cash option is not taken.

## 4.5. OTHER CONFLICTS OF INTEREST

As noted previously, we and our affiliates manage numerous accounts with a variety of interests. This necessarily creates potential conflicts of interest for us. For example, we or an affiliate may cause multiple accounts to invest in the same investment. Such accounts could have conflicting interests and objectives in connection with such investment, including differing views on the operations or activities of the portfolio company, the targeted returns for the transaction and the timeframe for and method of

# WALTER SCOTT

---

exiting the investment. We, however, operate as an autonomous unit with respect to our investment management activities thereby mitigating the conflict.

## 5. TYPES OF CLIENTS

We provide advisory services to banks or thrift institutions, corporate pension and profit sharing plans, Taft-Hartley plans, Voluntary Employee Beneficiary Associations (“VEBAs”), trusts, estates, charitable institutions, foundations, endowments, municipalities, US registered investment companies, US Exchange Traded Funds (ETFs), bank collective funds, US private placement funds and “offshore” (non-US) private placement funds, UCITS, other non-US regulated funds, sovereign funds, separate accounts, and other US and international institutions.

### 5.1. ACCOUNT REQUIREMENTS

We require segregated account clients to execute a written investment management agreement with us, granting us authority to manage their assets. Separate accounts are subject to minimum account sizes which vary depending upon the strategy of the account. Details of minimum account sizes are available upon request and we reserve the right to waive minimum account size requirements at our discretion.

### 5.2. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Walter Scott was founded in 1983. Our sole activity is managing equity portfolios for institutional clients around the world. Walter Scott’s investment research team employs rigorous, bottom-up, fundamental analysis to identify and value wealth-creating businesses, which we seek to invest in on a long-term basis. We work collegiately, in the belief that teams make better decisions.

We have applied the same investment philosophy to every portfolio we have managed since the firm’s inception.

Since Walter Scott was founded in 1983, our purpose has been to build prosperity through considered long-term investing. We believe the interests of our clients, stakeholders and broader society are best served by an active investment approach that prioritises responsibly managed companies that have the ability to consistently compound wealth over the long term.

This approach is underpinned by a commitment to disciplined research, rigorous analysis of company fundamentals, and a team based decision-making framework that encourages debate and challenge. Our culture is simply a reflection of our purpose and investment beliefs: client-focused, collegiate and resolutely long term.

Our Investment Research team is grouped into three geographical regions – EMEA (Europe, Middle-East and Africa), Americas, Asia Pacific – with individuals periodically rotated across these teams in order to build global knowledge and investment expertise. Research is consciously bottom-up and all investment professionals are generalists, covering all sectors. Irrespective of mandate, every portfolio is managed by bringing together the skill, judgment and experience of both the Investment Research team and the Investment Executive.

A fundamental, bottom-up investment approach combines detailed financial research with business and industry analysis. Each company is researched using the same pillars of analysis. Meetings with company management are central to the process with around 700 meetings annually.

The investment process begins with the review of reported company financials. Companies that meet certain broad absolute and trend criteria are candidates for more detailed analysis. As part of that analysis, Walter Scott considers the material risks and opportunities with respect to a company, financial and non-financial. Walter Scott first restates the company’s income statement, flow of funds, and balance sheet to a cash basis. This analysis assists Walter Scott in identifying the nature of the operating margin, working capital management and the profitability and financing model of the company. Core to the analysis is thorough understanding of the cash generating strengths of a company and thereby a company’s ability to achieve self-financed growth so far as possible.

# WALTER SCOTT

---

If a company passes Walter Scott's stringent financial criteria, Walter Scott then conducts a detailed investigation of the company's products, cost and pricing, competition and industry position and outlook, and reviews the company's material financial ESG risks and opportunities. Walter Scott will also typically meet with management of a company as part of the research process. The objective underlying all aspects of this process is to understand whether the company has the ability to generate sustained growth in the future. When analyzing and managing the ESG risks and opportunities associated with a company, Walter Scott assesses whether the value of the company could be materially impacted by an environmental, social or governance (ESG) event or condition.

The analysis and management of material financial ESG risks and opportunities are integrated into the research process. For the avoidance of doubt, this means that investment decisions are not based solely on ESG considerations, and that Walter Scott may conclude that other attributes of an investment outweigh sustainability considerations in the overall assessment of an investment. In assessing the valuation of an individual stock Walter Scott uses various measures, including price-to-earnings ratio versus growth rate, price-to-cash ratio and price-to-book ratio. Walter Scott invests assets in reasonably valued stocks of companies exhibiting market leadership and long-term growth prospects, underpinned by strong management and sound operating practices.

Our qualitative analysis is focused on seven areas of investigation.

**Company** – history, business activities, divisional and geographical split

**Control of Destiny** – market share, competitors, sustainable competitive advantage, pricing power, barriers to entry

**Integrity** – ESG considerations, accounting methods

**Market Characteristics** – size, sustainable growth, structure, cyclical

**Financial Profile** – sustainable return structure, margin trend, cash generation, debt

**Management & Board** – track record and experience of key executives/chair, board composition

**Valuation & Trading** – valuation metrics, free float, liquidity

Investment decisions rest upon original research conducted in-house. External research is used only to complement that in-house work. Sell-side research is used in a limited capacity and we do employ the services of independent research providers. However, such research is only used to consolidate our existing research assumptions and is a small part of the overall research process. We do not receive any market sensitive data from these individuals or organisations. Further, all external research is paid for directly by Walter Scott.

All investment proposals are discussed by the team and must gain unanimous backing before being put forward to the Investment Executive. Conversely, a sell decision requires only one well-researched dissenting argument to be put to the Investment Executive. A buy and hold approach allows stocks to generate long-term returns via compounding. Portfolios are built bottom-up, stock by stock and monitored daily. The resultant sector and geographic allocation is therefore a reflection of our independent judgment rather than the composition of indices.

Generally, the target for initial positions in individual stocks is typically around 2% with liquidity running at generally no more than 5%. Over time, the portfolio weight of the most successful investments rise, with frequency of review increasing above 3%. Typically, turnover is less than 20%. Portfolios are typically run on a fully invested basis. High cash positions are generally transitory due to periods of trading activity. We do not actively manage cash. Decisions on cash management in separate accounts lie with the client.

Strategies are principally global or EAFE in nature but there are a small number of other strategies – including Europe, US, Pacific, emerging markets, dividend growth and concentrated large cap portfolios. The same investment and research process applies across all strategies.



# WALTER SCOTT

---

The impact of currency movements is an important factor within the bottom-up investment research process. That is, the consequence of different foreign exchange environments on the operating and financial conditions for any individual company must be considered.

However, at the portfolio level, currency exposure, like the country and sector allocations, is a by-product of stock selection. We do not define currency risk relative to benchmarks.

In that context it is Walter Scott's general policy not to hedge currency.

## 5.3. MATERIAL RISKS

The table overleaf and section that follows sets forth information concerning the material risks involved with each strategy. Material risks in this instance are considered those that would have a significant influence on a strategy or client. An "X" in the table indicates that the strategy involves the corresponding risk.

The risks set forth below represent a general summary of the material risks involved in the investment strategies we offer. If applicable, please refer to the "Risk Factors" section in the offering documents for a more detailed discussion of the risks involved in investing.

Risk Type	Global Strategy	EAFE Strategy	Emerging Markets Strategy	US Strategy	Europe Strategy	Pacific Rim Strategy	Dividend Growth Strategy	Concentrated large cap Strategy
ADR/GDR Risk	X	X	X	X	X	X	X	X
Clearance and settlement risk	X	X	X	X	X	X	X	X
Concentration Risk								X
Counterparty risk	X	X	X	X	X	X	X	X
Country, industry and market sector risk	X	X	X	X	X	X	X	X
Cybersecurity Risk	X	X	X	X	X	X	X	X
Depository receipts risk	X	X	X	X	X	X	X	X
Emerging market risk	X	X	X	X	X	X	X	X
Foreign Investment Risk	X	X	X	X	X	X	X	X
General Risks	X	X	X	X	X	X	X	X
Investment Strategy Risk	X	X	X	X	X	X	X	X
Issuer Risk	X	X	X	X	X	X	X	X
Large Cap Stock Risk	X	X	X	X	X	X	X	X
Liquidity risk	X	X	X	X	X	X	X	X
Market risk	X	X	X	X	X	X	X	X
Performance risk	X	X	X	X	X	X	X	X
Stock Investing Risk	X	X	X	X	X	X	X	X
Stock Selection Risk	X	X	X	X	X	X	X	X
Systemic Risk	X	X	X	X	X	X	X	X

5.4. DESCRIPTIONS OF INVESTMENT RISKS

**American Depository Receipts and Global Depository Receipts risk.** American depository receipts ("ADRs") are receipts issued by a U.S. bank or trust company evidencing ownership of underlying securities issued by non-U.S. issuers. ADRs may be listed on a national securities exchange or may be traded in the over-the-counter market. Global depository receipts ("GDRs") are receipts issued by either a U.S. or non-U.S. banking institution representing ownership in a non-U.S. company's publicly traded securities that are traded on non-U.S. stock exchanges or non-U.S. over-the-counter markets. Holders of unsponsored ADRs or GDRs generally bear all the costs of such facilities. The depository of an unsponsored facility frequently is under no obligation to distribute investor communications received from the issuer of the deposited security or to pass through voting rights to the holders of depository receipts in respect of the deposited securities. Investments in ADRs and GDRs pose, to the extent not hedged, currency exchange risks (including blockage, devaluation and non-exchangeability), as well as a range of other potential risks relating to the underlying shares, which could include expropriation, confiscatory taxation, imposition of withholding or other taxes on dividends, interest, capital gains, other income or gross sales or disposition proceeds, political or social instability or diplomatic developments that could affect investments in those countries, illiquidity, price volatility and market manipulation. In addition, less information may be available regarding the underlying shares of ADRs and GDRs, and non-U.S. companies may not be subject to accounting, auditing and financial reporting standards and requirements comparable to, or as uniform as, those of U.S. companies. Such risks may have a material adverse effect on the performance of such investments and could result in substantial losses.

**Clearance and settlement risk.** The degree and nature of risk will vary between geographies. Many emerging market countries have different clearance and settlement procedures to those in developed countries. There may be no central clearing mechanism for settling trades and no central depository or custodian for the safe keeping of securities. The registration, record-keeping and transfer of instruments may be carried out manually, which may cause delays in the recording of ownership. Increased settlement risk may increase counterparty and other risks. Certain markets have experienced periods when settlement dates are extended, and during the interim, the market value of an instrument may change. Moreover, certain markets have experienced periods when settlements did not keep pace with the volume of transactions resulting in settlement difficulties. More generally, because of the lack of standardized settlement procedures, settlement risk in emerging markets is more prominent than in more mature markets. Our trades are generally settled delivery versus payment (DvP).

**Concentration risk.** A strategy may have a concentrated portfolio due to investment in a limited number of securities, giving rise to concentration risk. A fall in the value of a single security may have a greater impact on the strategy's value than if the strategy had a more diversified portfolio.

**Counterparty risk.** The risk that a counterparty could fail to honor the terms of its agreement. The primary counterparty risk mitigation is to trade in countries where DvP settlement prevails. We also maintain an authorized broker list with ongoing and additional checks on the financial health of broker counterparties undertaken and monitored to further protect against counterparty risk.

**Country, industry and market sector risk.** The strategy may result in an overweight or underweight position relative to the benchmark index, in individual companies, certain countries or market sectors, which in turn may cause the strategy's performance to be more or less sensitive to positive or negative developments affecting these companies, countries or sectors. In addition, the strategy may, invest a significant portion (more than 25%) of its total assets in securities of companies located in a particular country regardless of such country's representation within the benchmark index.

**Cybersecurity risk.** In addition to the risks described above that primarily relate to the value of investments, there are various operational, systems, information security and related risks involved in investing, including but not limited to "cybersecurity" risk. Cybersecurity attacks include electronic and non-electronic attacks that include but are not limited to gaining unauthorized access to digital systems (E.g. through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data or causing operational disruption. Cybersecurity attacks also may be carried out in a manner that does not require gaining unauthorized access, such as causing denial of service attacks on websites (i.e. efforts to make services unavailable to intended users). As the use of technology has become more prevalent, we and the client accounts we manage have become potentially more susceptible to operational risks through cybersecurity attacks. These attacks in turn

could cause us and client accounts (including funds) we manage to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures, and/or financial loss. Similar adverse consequences could result from cybersecurity incidents affecting issuers of securities in which we invest, counterparties with which we engage in transactions, third-party service providers (e.g., a client account's custodian), governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers and other financial institutions and other parties. While cybersecurity risk management systems and business continuity plans have been developed and are designed to reduce the risks associated with these attacks, there are inherent limitations in any cybersecurity risk management system or business continuity plan, including the possibility that certain risks have not been identified. Accordingly, there is no guarantee that such efforts will succeed, especially since we do not directly control the cybersecurity systems of issuers or third-party service providers.

**Depository receipts risk.** DRs generally represent securities of non-US issuers and may include sponsored or unsponsored DR programs. In an unsponsored facility, the depository issues the DRs without an agreement with the company that issues the underlying securities. Holders of unsponsored DRs generally bear all the costs of such facility, and the depository of an unsponsored facility, frequently, is under no obligation to distribute shareholder communications received from the company that issues the underlying securities or to pass through voting rights to the holders of the DRs with respect to the underlying securities. Therefore, sponsored DR facilities may provide holders with more information about the issuer of the underlying security.

**Emerging markets risk.** Emerging markets tend to have less mature economic structures and less stable political systems than those of developed countries. The securities of issuers located or doing substantial business in emerging markets are often subject to rapid and large changes in price. In particular, emerging markets may have relatively unstable governments which in turn presents the risk of sudden adverse government or regulatory action and even nationalization of businesses, restrictions on foreign ownership on prohibitions of repatriation of assets, and may have less protection of property rights than more developed countries. The economies of emerging market countries may be based predominantly on only a few industries and may be highly vulnerable to changes in local or global trade conditions, and may suffer from extreme debt burdens or volatile inflation rates. Local securities markets may trade a small number of securities and may be unable to respond effectively to increases in trading volume, potentially making prompt liquidation of substantial holdings difficult. Transaction settlement and dividend collection procedures also may be less reliable in emerging markets than in developed markets. The legal systems in many countries are still developing, making it more difficult to obtain and/or enforce judgments. Furthermore, increased political and social unrest in some countries could cause economic and market uncertainty throughout the region. The auditing and reporting standards in some emerging market countries may not provide the same degree of shareholder/investor protection or information to investors as those in developed countries. In particular, valuation of assets, depreciation, exchange differences, deferred taxation, contingent liability and consolidation may be treated differently than under the auditing and reporting standards of developed countries. The imposition of sanctions, confiscations, trade restrictions (including tariffs) and other government restrictions by the United States and other governments, or problems in share registration, settlement or custody, may also result in losses.

**Foreign Investment risk.** Investments in foreign currencies are subject to the risk that those currencies will decline in value relative to the base currency of the strategy. Currency exchange rates may fluctuate significantly over short periods of time. A decline in the value of foreign currencies relative to the base currency will reduce the value of securities held by the strategy and denominated in those currencies. Foreign currencies are also subject to risks caused by inflation, interest rates, budget deficits and low savings rates, political factors and government controls.

**General risks.** Each investment strategy we offer invests in a variety of securities and employs a number of investment techniques that involve certain risks. Investments involve risk of loss that clients should be prepared to bear. We do not guarantee or make any representation that our investment process will be successful. Past results are not necessarily indicative of future performance and investment results may vary over time. We cannot provide assurance that our investment results will generate a positive return and substantial losses could be incurred. Your investments with us are not akin to a bank deposit and are not insured or guaranteed by the FDIC or any other government agency.

# WALTER SCOTT

---

**Investment strategy risk.** A strategy's investment criteria (for example, sustainability) may limit the number of investment opportunities available to the strategy, and, as a result, at times the strategy's returns may be lower than those of strategies that are not subject to such special investment considerations.

**Issuer risk.** The value of a security may decline for a number of reasons which directly relate to the issuer, such as management performance, financial leverage and reduced demand for the issuer's products or services.

**Large cap stock risk.** To the extent a strategy invests in large capitalization stocks, the strategy may underperform strategies that invest primarily in the stocks of lower quality, smaller capitalization companies during periods when the stocks of such companies are in favor.

**Liquidity risk.** When there is little or no active trading market for specific types of securities, it can become more difficult to sell the securities at or near their perceived value. In such a market, the value of such securities and the value of your investment may fall dramatically, even during periods of declining interest rates. Liquidity risk also exists when a particular derivative instrument is difficult to purchase or sell. If a derivative transaction is particularly large or if the relevant market is illiquid (as is the case with many privately negotiated derivatives), it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price. The secondary market for certain municipal bonds tends to be less well developed or liquid than many other securities markets, which may adversely affect the strategy's ability to sell such municipal bonds at attractive prices. Trading limits (such as "daily price fluctuation limits" or "speculative position limits") on futures trading imposed by regulators and exchanges could prevent the prompt liquidation of unfavorable futures positions and result in substantial losses. In addition, the ability to execute futures contract trades at favorable prices if trading volume in such contracts is low may be limited. It is also possible that an exchange or a regulator may suspend trading in a particular contract, order immediate liquidation and settlement of a particular contract or order that trading in a particular contract be conducted for liquidation only. Therefore, in some cases, the execution of trades to invest or divest cash flows may be postponed which could adversely affect the withdrawal of assets and/or performance.

**Market Risk** The market value of a security may decline due to general market conditions that are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates, outbreaks of an infectious disease, or adverse investor sentiment generally. A security's market value also may decline because of factors that affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry. Global economies and financial markets are becoming increasingly interconnected, and conditions and events in one country, region or financial market may adversely impact issuers in a different country, region or financial market. These risks may be magnified if certain events or developments adversely interrupt the global supply chain; in these and other circumstances, such risks might affect companies world-wide.

**Performance risk.** Investors often expect growth companies to increase their earnings at a certain rate. If we do not meet our clients' performance expectations this is considered a material risk.

**Stock investing risk.** Stocks generally fluctuate more in value than bonds and may decline significantly over short time periods. There is the chance that stock prices overall will decline because stock markets tend to move in cycles, with periods of rising prices and falling prices. The market value of a stock may decline due to general market conditions that are not related to the particular company, such as real or perceived adverse economic conditions, changes in the outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. A security's market value also may decline because of factors that affect a particular industry, such as labor shortages or increased production costs and competitive conditions within an industry or factors that affect a particular company, such as management performance, financial leverage and reduced demand for the company's products or services.

**Stock selection risk.** Certain indexing strategies hold fewer securities than the applicable index. Owning fewer securities and having the ability to purchase companies not listed in the index can cause the strategy to underperform the index.

**Systemic risk.** World events and/or the activities of one or more large participants in the financial markets and/or other events or activities of others could result in a temporary systemic breakdown in the normal operation of financial markets. Such events could result in a portfolio losing substantial value caused predominantly by liquidity and counterparty issues which could result in a portfolio incurring substantial losses.

**5.5. DISCIPLINARY INFORMATION**

From time to time, we and/or BNY Mellon may be involved in regulatory examinations or litigation that arise in the ordinary course of our business. At this time we are not aware of any regulatory matters or litigation that we believe would be material to an evaluation of our advisory business or integrity of our management.

**6. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

**6.1. BNY MELLON IS A GLOBAL FINANCIAL SERVICES COMPANY**

BNY Mellon is a global financial services company providing a comprehensive array of financial services (including asset management, wealth management, asset servicing, clearing and execution services, issuer services and treasury services) through a world-wide client focused team that enables institutions and individuals to manage and service their financial assets. BNY Mellon Investment Management is the umbrella designation for BNY Mellon's affiliated investment management firms, wealth management business and global distribution companies and is responsible, through various subsidiaries, for US and non-US retail, intermediary and institutional distribution of investment management and related services.

We enter into transactions with unaffiliated counterparties or third party service providers who can be using affiliates of ours to execute such transactions. Additionally, when we effect transactions in American Depositary Receipts ("ADRs") or other securities, the involved issuers or their service providers could be using affiliates for support services. Services provided by our affiliates to such unaffiliated counterparties, third party service providers and/or issuers include, for example, clearance of trades, purchases or sales of securities, serving as depository bank to issuers of ADRs, providing foreign exchange services in connection with dividends and other distributions from foreign issuers to owners of ADRs, or other transactions not contemplated by us. Although one of our affiliates receives compensation for engaging in these transactions, and/or providing services, the decision to use or not use an affiliate of ours is made by the unaffiliated counterparty, third party service provider or issuer. Further, we will likely be unaware that the affiliate is being used to enter into such transaction or service.

BNY Mellon and/or its other affiliates gather data from us about our business operations, including information about holdings within client portfolios, which is required for regulatory filings to be made by Walter Scott or BNY Mellon or other affiliates (e.g., reporting beneficial ownership of equity securities) or for other compliance, financial, legal or risk management purposes, pursuant to policies and procedures of Walter Scott, BNY Mellon or other affiliates. This data is deemed confidential and procedures are followed to ensure that any information is utilized solely for the purposes intended.

We are sometimes prohibited or limited from effecting transactions because of rules in the marketplace, foreign laws or our own policies and procedures. Please also refer to Item 12, for a discussion of trade aggregation issues.

**6.2. BNY MELLON'S STATUS AS A BANK HOLDING COMPANY**

BNY Mellon and its direct and indirect subsidiaries, including us, are subject to (1) certain US banking laws, including the Bank Holding Company Act of 1956, as amended (the "BHCA"), (2) regulation and supervision by the Board of Governors of the Federal Reserve System (the "Federal Reserve"), and (3) the provisions of, and regulations under, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"). The BHCA, the Dodd-Frank Act, other applicable banking laws, and the regulatory agencies, including the Federal Reserve, that interpret and administer these laws may restrict (1) the transactions and relationships among BNY Mellon, its affiliates (including us) and our clients, and (2) our investments, transactions and operations. For example, the BHCA regulations applicable to BNY Mellon and us may restrict our ability to make certain investments or the size of certain

investments, impose a maximum holding period on some or all of our investments, and restrict our ability to participate in the management and operations of the companies in which we invest. In addition, certain BHCA regulations may require aggregation of the positions owned, held or controlled by related entities. Thus, in certain circumstances, positions held by BNY Mellon and its affiliates (including us) for client and proprietary accounts may need to be aggregated and may be subject to a limitation on the amount of a position that may be held. These limitations may have an adverse effect on our ability to manage client's investment portfolios. For example, depending on the percentage of a company that we and our affiliates (in the aggregate) control at any given time, the limits may: (1) restrict our ability to invest in that company for certain clients or (2) require us to sell certain client holdings of that company when it may be undesirable to take such action. Additionally, in the future BNY Mellon may, in its sole discretion and without notice, engage in activities affecting us in order to comply with the BHCA, the Dodd-Frank Act or other legal requirements applicable to (or reduce or eliminate the impact or applicability of any bank regulatory or other restrictions on) us and accounts that we and our affiliates manage.

### **6.3. THE VOLCKER RULE**

The Dodd-Frank Act includes provisions that have become known as the "Volcker Rule," which restrict bank holding companies, such as BNY Mellon and its subsidiaries (including us) from (i) sponsoring or investing in a private equity fund, hedge fund or otherwise "covered fund", with the exception, in some instances, of maintaining a de minimis investment, subject to certain other conditions and/or exceptions, (ii) engaging in proprietary trading, and (iii) entering into certain transactions involving affiliated covered funds.

The Volcker Rule generally prohibits certain transactions involving an extension of credit or other type of transaction as set forth in applicable regulations between BNY Mellon and its affiliates, on the one hand, and "covered funds" managed or sponsored by BNY Mellon and/or its affiliates (including us), on the other hand. BNY Mellon affiliates provide securities clearance and settlement services to broker-dealers on a global basis. The operational mechanics of the securities clearance and settlement process can result in an incidental or unintended intraday extension of credit between the securities clearance firm and a "covered fund." As a result, we may be restricted from using a BNY Mellon affiliate as custodian or in other capacities for covered funds as well as be restricted in executing transactions for certain funds through broker-dealers that utilize a BNY Mellon affiliate as their securities clearance firm. Such restrictions could limit the covered fund's selection of service providers and prevent us from executing transactions through broker-dealers we would otherwise use in fulfilling our duty to seek best execution. The Volcker Rule was amended in 2020 to include exemptions that permit a broader range of transactions between BNY Mellon and its affiliates and relevant covered funds. BNY Mellon intends to rely on such exemptions to the extent it deems appropriate.

### **6.4. WALTER SCOTT INCENTIVE COMPENSATION PLAN**

Our staff are paid competitive base salaries. Everyone in Walter Scott is eligible to participate in the annual profit share, which is a fixed percentage of the pre-incentive operating profits. This is the sole source of our incentive compensation. Investment, operations and client service staff are all focused on the same goals of providing superior performance and service to clients. Success in these goals drives Walter Scott's profits and therefore the profit share.

For directors and some senior staff, the majority of annual compensation is the profit share. An element of this is deferred via a long-term incentive plan. This is primarily invested in a long term global equity fund where we are the investment adviser, and, for some, in BNY Mellon stock. Both have a deferral period which vests on a pro-rata basis over three or four years.

### **6.5. AFFILIATED PLACEMENT AGENTS**

We have affiliated "placement agents", including BNY Mellon Securities Corporation, which solicits persons to invest in US private placement funds for which we act as investment manager, and may also provide other administrative services. We or our affiliates are solely responsible for the payment of commissions and fees to these placement agents - they will not be borne by the funds and/or their investors. We or our affiliates pay these commissions and fees out of our own profits, and these payments do not increase the fees paid by the US private placement fund's investors. These financial incentives may cause the placement agent and their employees and/or salespersons to steer investors

# WALTER SCOTT

---

toward funds (including US private placement funds for which we act as investment manager) that will generate higher commissions and fees. Please see Item 14 for more information on the compensation arrangements related to client referrals.

Some of our employees are registered representatives of our affiliate, BNY Mellon Securities Corporation (BNYMSC), a registered investment adviser under the Investment Advisers Act of 1940, as amended, a registered broker-dealer under the Securities Exchange Act of 1934, as amended, and a member of the Financial Industry Regulatory Authority. In their capacity as registered representatives of BNYMSC, these employees sell and provide services regarding US private placement funds for which we act as investment manager. No additional compensation is received by these employees in respect of such sales.

## **6.6. AFFILIATED REVENUE SHARE ARRANGEMENTS**

We have affiliated revenue share agreements in place with other BNY Mellon entities, which solicit persons to invest in various funds, separate account strategies and sometimes also provide other administrative services. In certain instances, we enter into revenue sharing arrangements with affiliates where we either receive a portion of the fee or bill the entire fee to the client and reimburse the affiliate. We or our affiliates are solely responsible for the payment of these fees. They will not be borne by clients or fund investors (directly or indirectly) and come out of our own profits. Please see Item 14 for more information on the compensation arrangements related to client referrals.

## **6.7. AFFILIATED SERVICE PROVIDERS**

In addition, to the extent permitted by law, placement agents and their respective affiliates provide brokerage and certain other financial and securities services to us, our affiliates or related private funds. Such services will be provided at competitive rates. BNY Mellon is also affiliated with service providers, distributors and consultants that provide services and receive fees from BNY Mellon in connection with such services, which incentivize such persons to distribute interests in a private fund or other BNY Mellon products.

## **6.8. AFFILIATED BROKER-DEALERS AND INVESTMENT ADVISERS**

We are affiliated with a significant number of advisers and broker-dealers. Please see our Form ADV, Part 1A - Schedule D, Section 7.A for a list of our affiliated advisers and broker-dealers. Several of our investment adviser affiliates have, collectively, a significant number of investment-related private funds for which a related person serves as sponsor, general partner or managing member (or equivalent), respectively. Please refer to the Form ADV, Part 1A – Schedule D, Section 7.B for each of our affiliated investment advisers for information regarding such firm’s private funds (if applicable) and such firm’s Form ADV, Part 1A – Schedule D, Section 7.A for information regarding related persons that serve in a sponsor, general partner or managing member capacity (if applicable).

Where we select the broker to effect purchases or sales of securities for client accounts, we only use unaffiliated brokers.

We have broker selection policies in place that require the selection of a broker-dealer to be consistent with its duties of best execution, and subject to any client and regulatory proscriptions. Please see Item 12 for more information on our broker selection process.

Certain unaffiliated brokers-dealers we use to execute trades for our clients may use a broker-dealer affiliated with us to clear those trades. In such cases, the clearing broker receives a clearance fee negotiated and paid by the executing broker-dealer. The decision to use an affiliate of ours in these circumstances is made by the unaffiliated executing broker-dealer, and we have no influence over whether a broker-dealer we select to execute client trades clears through one of our affiliates, or the financial arrangement between them. In addition, we are typically unaware that the executing broker-dealer has chosen to use one of our affiliates to clear such trades.

BNY Mellon Investment Management Cayman Ltd (“BNYMIM Cayman”) acted as Manager of certain US private placement funds for which we act as sub-adviser. With effect from 1 January 2022 in respect of those funds, BNYMIM Cayman was replaced by BNY Mellon Investment Adviser, Inc. (“BNYMIA”).

# WALTER SCOTT

---

We provide sub-advisory services to certain affiliated registered investment companies by serving as a sub-adviser to BNYMIA and to certain bank collective investment funds by serving as a sub-adviser to The Bank of New York Mellon. For such services, we receive a portion of the investment management fee received by BNYMIA from each investment company, or a portion of the management fee received by The Bank of New York Mellon from each bank collective investment fund, to which the firm renders advice.

## 6.9. AFFILIATED UNDERWRITERS

Our broker-dealer affiliates occasionally act as underwriter or as a member of the underwriting syndicate for certain new issue securities which may create an incentive for us to purchase these new issue securities, however, we rarely invest in new issues and therefore instances of this are highly unlikely.

BNY Mellon has established a policy regarding purchases of securities in an offering in which an affiliate acts as an underwriter or as a member of the underwriting syndicate. In compliance with applicable banking, securities and ERISA regulations, we may purchase on behalf of our clients securities in an offering in which an affiliate is acting as an underwriter or as a member of the underwriting syndicate during the syndication period, so long as requirements of the policy, including written approval and compliance with certain investment criteria are met. The policy prohibits direct purchases from an affiliate for any fiduciary account under any circumstances.

## 6.10. AFFILIATED WRAP SPONSORS

We are a participant in various wrap programs sponsored by affiliates, such as BNY Mellon Securities Corporation, and non-affiliates. We provide portfolio recommendations to the wrap sponsor and the sponsor has discretion as to whether or not to implement the portfolio recommendations for their client accounts. Underlying participants of the wrap program are clients of the program sponsor, not us. Sponsors are solely responsible for providing brokerage, reporting, performance, custody and suitability services to program participants. Both affiliated and non-affiliated sponsors may obtain advisory, brokerage, clearing, and other wrap program services from affiliates, including among others, BNY Mellon Securities Corporation.

Our relationships with wrap program sponsors may create conflicts of interest for the sponsors and Walter Scott. A client in a wrap program has access to those investment advisers participating in the program. Wrap program sponsors typically select the investment advisers who participate in the program and provide advice to clients regarding the selection of an investment adviser from among the advisers participating in the program. If the wrap program sponsor is affiliated with Walter Scott, the sponsor may have an incentive to give us access to the program and to steer clients toward us, based on the affiliation rather than based on Walter Scott's expertise or performance or the client's needs. However, we are subject to the same selection and review criteria as the other advisers who participate in Walter Scott's affiliates' wrap programs.

## 6.11. AFFILIATED BANKING INSTITUTIONS

BNY Mellon engages in trust and investment business through various banking institutions, including the Bank and BNY Mellon, National Association. These affiliated banking institutions provide certain services to us, such as recordkeeping, accounting, marketing services, and referrals of clients. We provide the affiliated banking institutions with sales and marketing materials regarding our investment management services that is distributed under the name of certain marketing "umbrella designations" such as BNY Mellon, BNY Mellon Wealth Management, BNY Mellon IM, and BNY Mellon EMEA.

We provide certain investment advisory and trading services to certain Bank clients and separately managed accounts (including separately managed accounts for which the Bank acts as trustee, custodian, or investment manager).

Certain clients have established custodial or sub-custodial arrangements with the Bank and other financial institutions that are affiliated with us. Furthermore, the Bank and other financial institutions that are affiliated with us may provide services (such as trustee, custodial or administrative services) to issuers of securities. Because of their affiliation with us, our ability to purchase securities of such issuers and to take advantage of certain market opportunities may be subject to certain restrictions and in some cases, prohibited.



# WALTER SCOTT

---

## 6.12. OTHER RELATIONSHIPS

In addition, BNY Mellon personnel may have board, advisory, or other relationships with issuers, distributors, consultants and others that may have investments in a private placement fund and/or related funds or that may recommend investments in a private placement fund or distribute interests in a private placement fund. To the extent permitted by applicable law, BNY Mellon and its affiliates, including us and our personnel, may make charitable contributions to institutions, including those that have relationships with investors or personnel of investors. As a result of the relationships and arrangements described in this paragraph, placement agents, consultants, distributors and other parties may have conflicts associated with their promotion of a private placement fund, or other dealings with a private placement fund, that create incentives for them to promote a private placement fund.

Some of our clients retain consulting firms to assist them in selecting investment managers. Some consulting firms provide services to both those who hire investment managers and to investment management firms, and we may provide separate advisory services directly or indirectly to employees of such consulting firms. We do not pay referral fees to consultants. However, our clients and prospective clients should be aware that consulting firms might have business relationships with investment management firms that they recommend to their clients.

BNY Mellon maintains, and we have adopted, a Code of Conduct that addresses these types of relationships and the potential conflicts of interest they may present, including the provision and receipt of gifts and entertainment.

BNY Mellon, among several other leading investment management firms, has a minority equity interest in Kezar markets, LLC (f/k/a Titan Parent Company, LLC, which owns Kezar Trading LLC (f/k/a Luminex Trading and Analytics, LLC) (“Kezar”), a registered broker-dealer under the Exchange Act, that operates two alternative trading systems for securities (the “Alternative Trading System”). Transactions for clients for which we serve as adviser or sub-adviser may be executed through the Alternative Trading System. We and BNY Mellon disclaim that either is an affiliate of Kezar.

To ensure there is no preferential treatment given to clients and their relatives when applying or seeking internships/work placement with Walter Scott, Walter Scott adheres to BNY Mellon’s centralized corporate policies and requirements whereby all applications are routed through BNY Mellon’s centralized corporate approval process. In addition, employees are required to attest on an annual basis as part of our Code of Conduct questionnaire that they have not been hired outside of the centralized corporate approval process.

The firm further adheres to the requirements set out by BNY Mellon in relation to outside activities, affiliations, or employment of the firm’s employees, which may give the appearance of a conflict of interest or could create a direct conflict between an employee’s interests and those of the firm or its parent BNY Mellon. Employees must obtain approval from the BNY Mellon Ethics Office for certain outside activities prior to proceeding or accepting the position and obtain annual re-approval.

## 7. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS, PERSONAL TRADING

We have adopted a Code of Ethics that is made up of three parts:

1. BNY Mellon Code of Conduct (the “BNY Mellon Code”);
2. BNY Mellon Personal Securities Trading Policy (the “PSTP”);
3. Walter Scott Personal Securities Trading Policy.

### 7.1. BNY MELLON CODE OF CONDUCT

The BNY Mellon Code of Conduct sets expectations for business conduct for employees and provides guidance on important legal and ethical issues. In addition, it clarifies the Firm’s responsibilities to clients, suppliers, government officials, competitors and the communities we serve. BNY Mellon’s Code of Conduct covers the following key principles:

# WALTER SCOTT

---

1. Respecting Others: We respect human rights and treat all employees with fairness, dignity and respect at work. We are committed to fostering an inclusive workplace where talented people want to stay and develop their careers. Supporting a diverse, engaged workforce allows us to be successful in building trust, empowering teams, serving our clients and outperforming our peers. We give equal employment opportunity to all individuals in compliance with legal requirements and because it's the right thing to do.
2. Avoiding Conflicts: We make our business decisions free from conflicting outside influences. Our business decisions are based on our duty to BNY Mellon and our clients, and are not driven by any personal interest or gain. We are to remain alert to any and all potential conflicts of interest and ensure that we identify, mitigate or eliminate any such conflicts.
3. Conducting Business: We secure business based on honest competition in the marketplace. This contributes to the success of our company, our clients and our shareholders. We compete while in full compliance with all applicable laws and regulations. We support worldwide efforts to combat financial corruption and financial crime.
4. Working with Governments: We follow all requirements that apply to doing business with governments. We recognize that practices that may be acceptable when dealing with a private company that is the client may cause problems or be a violation of law when working with a government.
5. Protecting Company Assets: We ensure all entries made in the company's books and records are complete and accurate, and comply with established accounting and record-keeping procedures. We maintain the confidentiality of all forms of data and information entrusted to us and prevent the misuse of information belonging to the company or any client.
6. Supporting Our Communities: We take an active part in our communities around the world, both as individuals and as a company. Our long-term success is linked to the strength of the global economy and the strength of our industry. We are honest, fair and transparent in every way that we interact with our communities and the public at large. We are committed to addressing climate related risks and opportunities through an environmental sustainability approach that considers all aspects of our business.

As a global financial institution, BNY Mellon and its subsidiaries (the "Firm") are subject to certain laws and/or regulations governing the personal trading of securities. In order to ensure that all employees' personal investments are conducted in compliance with the applicable rules and regulations and are free from conflicts of interest, the Company has established limitations on personal trading, as reflected in the PTSP.

All employees are bound by the BNY Mellon Code and must sign their acceptance of this on joining the firm.

## 7.2. BNY MELLON PERSONAL SECURITIES TRADING POLICY

The PSTP sets forth procedures and limitations that govern the personal securities transactions of our employees in accounts held in their own names as well as accounts in which they have indirect ownership. We, and our related persons and employees, may, under certain circumstances and consistent with the PSTP, purchase or sell for their own accounts securities that we also recommend to clients.

The PSTP imposes different requirements and limitations on employees based on the nature of their business activities. Each of our employees is classified as one of the following:

1. Investment/Public Employee ("IE"): IE is an employee who, in the normal conduct of his/her job responsibilities, is on the "public side" of the Information Barrier in accordance with BNY Mellon's Information Barrier Policy and has access (or is likely to be perceived to have access) to nonpublic information regarding any advisory client's purchase or sale of securities or nonpublic information regarding the portfolio holdings of any Proprietary Fund (defined as a fund sponsored, managed or subadvised by BNY Mellon or any of its affiliates), is involved in making securities recommendations to advisory clients, or has access to such recommendations before they are public.

## WALTER SCOTT

---

2. Access Decision Maker (“ADM”): Generally, employees are considered to be ADM Employees if they are portfolio managers or research analysts and make or participate in recommendations or decisions regarding the purchase or sale of securities for mutual funds or managed accounts. Portfolio managers of broad-based index funds and traders are not typically classified as ADM Employees.
3. Insider Risk Employee (“IR”): IR is an employee who in the normal course of business are likely to receive material non-public information regarding issuer clients. These employees are on the “private side” of the Information Barrier in accordance with BNY Mellon’s Information Barrier Policy.
4. Non-Classified Employee: Our employees are considered non-classified if they are not an IE, IR or ADM.

### **PSTP Overview:**

1. IE, ADM, and IR employees are subject to preclearance and personal securities reporting requirements, with respect to discretionary accounts in which they have direct or indirect ownership.
2. IE, ADM, and IR employees based in the US, UK or India must maintain all discretionary accounts that are capable of holding reportable securities with an Approved Broker.
3. Transaction reporting is not required for non-discretionary accounts, transactions in exempt securities or certain other transactions that are not deemed to present any potential conflicts of interest.
4. Preclearance is not required for transactions involving certain exempt securities (such as open-end investment company securities that are not Proprietary Funds or money market funds and short-term instruments, non-financial commodities; transactions in non-discretionary accounts (approved accounts over which the employee has no direct or indirect influence or control over the investment decision-making process); transactions done pursuant to automatic investment plans; and certain other transactions detailed in the PSTP which are either involuntary or deemed not to present any potential conflict of interest.
5. BNY Mellon has a “Securities Trading Conduct Group” who maintains a “restricted list” of companies whose securities are subject to trading restrictions. This list is used by the Personal Trading Assistant (PTA) system to determine whether or not to grant trading authorization.
6. The acquisition of any securities in a private placement requires prior written approvals.
7. With respect to transactions involving BNY Mellon securities, all employees are also prohibited from engaging in short sales, purchases on margin, option transactions (other than employee option plans), and short-term trading (*i.e.*, purchasing and selling, or selling and purchasing BNY Mellon securities within any 60 calendar day period).
8. For IE, ADM and IR employees with respect to non-BNY Mellon securities, purchasing and selling, or selling and purchasing the same or equivalent security within 30 calendar days is prohibited, and any profits must be disgorged.
9. No covered employee should knowingly participate in or facilitate late trading, market timing or any other activity with respect to any fund in violation of applicable law or the provisions of such fund’s disclosure documents.

### **7.3. WALTER SCOTT PERSONAL SECURITIES TRADING POLICY**

In addition to the PSTP we have a more restrictive policy regarding personal securities trading which prevents employees from having discretion to purchase single equities with the exception of BNY Mellon stock. Compliance with the personal securities trading rules is a condition of employment and our employees must, therefore, be familiar with them. Employees can invest in three funds which are sponsored by BNY Mellon with us acting as investment adviser. One of these funds is also utilized as part of the long-term incentive plan.

# WALTER SCOTT

---

## 7.3.1. DISCLOSURE / PRE-CLEARANCE

Existing holdings, which must be disclosed within 10 calendar days of joining Walter Scott, can be retained or, following pre-clearance, sold at a later date.

## 7.3.2. PRE-CLEARANCE REQUIRED

For all buys and sells pre-clearance is required with the following exception. Preclearance is not required for regulated open-ended collective investment schemes except for those being managed by any BNY Mellon affiliate (known as 'Proprietary Funds'). Regulated open-ended collective investment schemes include unit trusts and OEICs. It should be noted that all investment trusts and ETFs must be pre-cleared and included in the quarterly reporting as described below.

## 7.3.3. PROHIBITED INVESTMENTS

Our employees may not invest in:

- individual securities other than BNY Mellon stock where they have discretion
- rights issues on individual securities
- collective investment vehicles where we act as the sub-adviser (except the BNY Mellon Long Term Global Equity Fund, the BNY Mellon Long-Term European Equity Fund and the BNY Mellon Global Leaders Fund as we are the investment manager)
- convertible bonds
- custom made ETFs or ISAs
- spread betting on securities, currencies or indices
- derivative instruments based on individual securities

## 7.3.4. REPORTING

Our employees must attest quarterly both on any trading activity during the quarter (excluding non-affiliated unit trusts and OEICs) plus their total holdings as at the end of the reporting period within 30 calendar days. Regulated open-ended collective investment schemes (with the exception of those managed by any BNY Mellon affiliates), and AVCs need not be reported, however the prohibited investments noted above apply. Attestation for Monitored Employees is through the Protegent Personal Trading Assistant (PTA) system which is maintained by BNY Mellon. Employees are permitted to open discretionary investment accounts where they are not involved in decisions at the individual security level. Monitored Employees need to follow the managed account exemption process.

This information is maintained in the PTA system provided by BNY Mellon. This system is monitored by the BNY Mellon Securities Trading Conduct group and the Walter Scott Risk & Compliance Team. Within the PTSP, certain employees (Facilities) are not required to maintain information in the Protegent Personal Trading System. In these instances, this information is retained by the Walter Scott Risk & Compliance Team.

All employees must verify an annual declaration confirming acceptance of the BNY Mellon Code of Conduct, the PTSP Policy and our Personal Securities Trading Policy and that any violations of those policies have been reported to the Walter Scott Risk & Compliance team.

## 7.3.5. OUTSIDE INTERESTS / PRIVATE PLACEMENT

Investments in private placements, i.e. shares in private companies, partnerships and investments in family owned businesses must receive prior written approval from both Walter Scott and the BNYM Mellon Securities Trading Conduct group.

## 7.3.6. SHORT TERM TRADING / DISGORGEMENT

Our employees are prohibited from engaging in short-term trading with any profits being disgorged.

# WALTER SCOTT

---

## 7.4. INTEREST IN CLIENT TRANSACTIONS

Note that while each of the following types of transactions present conflicts of interest for us, as described below, we manage our accounts consistent with applicable law, and follow procedures that are reasonably designed to treat our clients fairly and to prevent any client or group of clients from being systematically favored or disadvantaged.

### **Principal Transactions**

“Principal transactions” are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys any security from or sells any security to any client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated pooled investment vehicle and another client account. We do not generally engage in principal transactions for equities; however, all FX trades are executed with the counterparty acting in a principal capacity and we use consent process as permitted under Advisors Act for non-ERISA, non-RIC accounts.

### **Cross Transactions**

We do not engage in cross transactions.

### **Transactions in Same Securities**

We do not invest in securities for our own benefit.

### **Foreign Exchange (FX) Transactions**

Walter Scott may effect FX transactions through an affiliate if the affiliate has been appointed as custodian by the client. In such transactions, Walter Scott discloses this relationship, the capacity in which we act, and obtains consent to so act, when the client opens its discretionary account. If at any time a client wishes to revoke its consent to such transactions, it may provide us with written notice and upon receipt of such notice, we will refrain from engaging in any future FX transactions with the affiliate on the client’s behalf. Under no circumstances does Walter Scott receive compensation in relation to such transactions from either the affiliate or the client. Portfolio transaction decisions for its clients are made independently by us and are not based upon the interests of a related person. No client is required by Walter Scott to enter into a relationship with a related person as a condition to the establishment or continuation of an advisory relationship.

In addition, it is possible from time to time that such interests may be established independently by a related person without the knowledge of Walter Scott pursuant to recommendations and arrangements independent of the services provided by us and/or in situations where Walter Scott is not exercising investment management discretion of a type that would give rise to the application of the policies and procedures described in the preceding paragraph.

### **Insider trading / market abuse**

Policies and procedures exist to prevent employees from trading upon material non-public information (MNPI). Any Walter Scott employees who possess MNPI or proprietary information must preserve its confidentiality and disclose it only to other employees who have a valid business reason for receiving it, acting at all times in compliance with the firm’s Insider Trading/Market Abuse policy. We do not wish to receive MNPI.

## 8. BROKERAGE PRACTICES

### 8.1. BROKER SELECTION

In most cases, we have the authority to direct securities transactions on behalf of our clients to broker-dealers selected by Walter Scott. In doing so, we seek best execution of such transactions. When seeking best execution, we consider the full range and quality of a broker-dealer’s services including, among other things, commission rates, a broker’s trading expertise, reputation and integrity, facilities, financial services offered, access to secondary markets, reliability both in executing trades and keeping records, fairness in resolving disputes, value provided, execution capability, financial responsibility and responsiveness to Walter Scott. Please see the discussion concerning the Volcker Rule and its possible implications concerning our broker-dealer selection practices in Item 6, above.

Under some circumstances we cause client accounts to pay a broker or dealer executing securities transactions a commission higher than the commission another broker or dealer would have charged

# WALTER SCOTT

---

for executing that securities transaction, where we determine in good faith that the commission is reasonable in relation to the value of the services provided by such broker-dealer.

## 8.2. SOFT DOLLARS

We do not use/receive research or other products or services other than execution from a broker-dealer or third party in connection with client securities transactions. As such we do not utilize soft dollars.

## 8.3. FOREIGN EXCHANGE (FX) TRADING

Walter Scott's Dealing team maintains a list of counterparties that may be used for FX trading which is approved on a quarterly basis by the Walter Scott Trading Oversight Group (TOG). Walter Scott typically negotiates FX transactions with either the client's custodian or a third-party custodian bank, if a third-party bank is required (for example in cases where the client is an ERISA plan and has appointed BNY Mellon as its custodian, as ERISA rules on transactions with an affiliate prevent Walter Scott from executing FX trades with BNY Mellon, therefore a third-party bank is used). FX transactions required for equity trade settlement are actively dealt with reference to live market prices.

Please also note that FX transactions required for dividend income repatriation are normally conducted by the client's custodian under standing instruction (and not on an as instructed basis) and are transacted in accordance with the terms of the custodian's standard automated service.

## 8.4. DISCLOSURE ON NON-DISCRETIONARY (MODEL PORTFOLIO) ACCOUNTS

Where Walter Scott provides securities recommendations as a non-discretionary investment manager (model accounts) such accounts will either be subject to a rotation methodology with like accounts/programs, trade behind fully discretionary accounts (sequenced trading), or trade in the market alongside fully discretionary accounts with similar order instructions (simultaneous trading). To the extent that accounts are part of a rotation methodology or sequenced it is possible that such accounts may suffer adverse effects depending upon market conditions. When simultaneous trading occurs, competition in the marketplace has the potential to impact all clients involved, though competition concerns are mitigated where the securities involved have significant trading volume and are highly liquid. Given these mitigants to competition concerns, Walter Scott believes that simultaneously communicating investment instructions to our trading desk and any other applicable financial firm is, as a general rule, preferable to following a rotation or sequenced trading process. As such it is our general practice to carry out simultaneous communication. The potential conflict of trading in the market at the same time is mitigated by the majority of models trading in ADRs, time zone differences and the typical highly liquid nature of the equities held in portfolios.

## 8.5. OTHER BROKERAGE PRACTICES CONFLICT OF INTEREST

The following brokerage practices may lead to conflicts of interest when selecting broker-dealers to execute client trades:

### 8.5.1. AFFILIATED BROKER-DEALERS

We do not execute trades with affiliated broker-dealers.

### 8.5.2. COMPENSATION FOR CLIENT REFERRALS

We do not provide compensation to any broker-dealer in exchange for referral of investment management clients.

### 8.5.3. BROKERAGE FOR CLIENT REFERRALS

We do not direct securities transactions to any broker-dealer in exchange for referral of investment management clients.

# WALTER SCOTT

---

## 8.5.4. BROKERS AFFILIATED TO CLIENTS

Certain entities with which we have a client relationship are affiliated to entities included on our authorized broker list. Broker usage and any commission rates paid are reviewed by the TOG on a quarterly basis to ensure no bias.

## 8.5.5. CLIENT DIRECTED BROKERAGE/COMMISSION RECAPTURE

We may accept direction from a client to place trades for a client's account with a particular broker-dealer or commission recapture agent. A client may instruct us to direct a portion of its commissions to a specified broker-dealer. In the event that such direction occurs, we expect to have limited capability to negotiate commission levels or obtain volume discounts. In addition, in meeting the client's brokerage directive, Walter Scott may not be able to aggregate these transactions with transactions Walter Scott effects for other accounts it manages and may delay placing the orders for directed accounts until the orders for other accounts have been completed. As a result, the net price paid or received by the directed account likely will be different than the price paid or received by Walter Scott's other accounts. We will not carry out directed brokerage if we believe we would not receive best execution.

## 8.6. TRADE AGGREGATION AND TRADE ALLOCATION

We generally aggregate purchase and sale orders of securities held in a client's account with similar orders being made simultaneously for other managed accounts if, in Walter Scott's reasonable judgment, this is in the best interest of clients with the aim being to treat all clients fairly. We will seek to equitably apportion such aggregated order prices, commissions and other expenses among accounts. The determination of such economic benefits to a particular client account is subjective and represents a discretionary evaluation that an account is benefited by relatively better purchase or sales prices, lower commission expenses and beneficial timing of transactions or a combination of these and other factors over time.

Aggregated orders are allocated to the accounts involved in the transaction if the entire order can be executed in one day, or pro-rata to each account its allotted share of the securities purchased or sold if the entire order cannot be so executed. Partially filled orders are filled in accordance with this with any deviations from pro-rating (due to economic reasons, board lots, low trading volumes, etc) being restricted to an authorised dealer. Such deviations are annotated with the rationale of the action taken being clearly documented. We do not cross trade between accounts.

Following the receipt of any subsequent orders in the same stock to an outstanding aggregated order (due to other trades having to settle prior to that order being placed or other reasons) the original aggregated order will be stopped and a new one started with the relevant changes. In the event that the aggregated order is actively working in the market when the new order/s are received the new order/s will not participate in that day's allocation and will be merged into the block after that day's trade execution has been reported and fairly allocated amongst the original participants.

Allocations will be reviewed in the context of client guidelines and/or the full range of a client's costs. All transactions on behalf of clients' portfolios must be allocated promptly. Ideally this should occur at the time the transaction is reported back from the broker. In the event that several transactions with a single broker are being conducted in a single 24-hour period then allocation may be at the end of the series of transactions.

For the avoidance of doubt portfolios can and do differ between clients, notwithstanding similar strategies. Reasons for such differences include, but are not limited to, the starting date of the mandate and existing portfolio composition, differences between client guidelines and restrictions, client structure, portfolio liquidity, frequency of cash flows, the size of the mandate in question and appropriateness for a particular portfolio, taking into account appropriate portfolio diversification.

The practice of warehousing transactions (where a broker is requested to delay booking partial fills of a multi-client deal out to individual client allocations for a period of up to seven days whilst in the process of completing the overall transaction) will not be undertaken by us.

Historically we have rarely invested in Initial Public Offerings ("IPO"). In the event we were to make such an investment the allocation would be conducted in line with our allocation policy set out above.

## 8.7. ERROR CORRECTION

In the event that there is a trade error resulting from an error by Walter Scott, we would advise the client and, where necessary and subject to the details of the specific breach, recompense the client's portfolio with appropriate compensation in compliance with the firm's Breaches policy. Typically any gains would be retained by the client should a profit arise from the error. Any errors that could be reasonably netted against loss-making errors of the same type are permitted. All errors are fully disclosed to the client in order that agreement as to the appropriate course of action to resolve the error is made. Broker or bank errors are recompensed by the relevant entity. The use of commission to absorb trading errors is not permitted.

## 9. REVIEW OF ACCOUNTS

### 9.1. INVESTMENT REVIEW

The investment process is formally overseen by the Investment Management Committee ("IMC") which reports directly to the Executive Management Committee. The IMC specifically monitors Walter Scott's investment activities including investment research, investment policy, investment risk, portfolio construction and oversight, investment performance, investment agreements, order management and trade execution, proxy voting and other corporate governance matters as well as team and staff development. The IMC meets on a quarterly basis and conducts a formal review of all portfolios.

The IMC comprises Walter Scott's Managing Director, two Executive investment directors, head of Research, senior investment managers, head of Investment Operations & Sustainability, head of Risk & Compliance, head of Dealing and head of Portfolio & Cash Management.

The broad Investment team currently numbers forty-one and includes members of the IMC. The team meets at least once a week with the Research team meeting separately at least twice a week to review individual companies and discuss new ideas. The Investment Executive also meets at least twice weekly, with members of the Research team and the broader Investment team frequently invited.

### 9.2. REPORTING TO CLIENTS

Formal reporting to clients is dependent on the requirements of each client and can be a combination of monthly, quarterly or annual reports.

Unless otherwise instructed, all clients are provided monthly financial reports containing portfolio positions, transactions, capitalisation issues, proxy voting and details of investment activity during the period.

On a quarterly basis, most clients typically receive a written management report that provides portfolio performance and an investment commentary relative to the period under review. A separate report summarising costs & charges is also provided.

Estimated NAVs are available to participants invested in the BNYMIA private placement funds to which we are the sub-advisor.

## 10. CLIENT REFERRALS AND OTHER COMPENSATION

### 10.1. AFFILIATED SOLICITORS AND PLACEMENT AGENTS

In certain circumstances, we pay referral fees to our affiliates (and/or their employees) for referrals that result in additional investment management business. Certain registered representatives of BNYMSC, based in the USA, offer sales and marketing services to clients in North America exclusively on behalf of the Firm. There is a financial arrangement in place between us and BNYMSC. Please see the discussion of affiliated placement agents in Item 6.

Our ultimate parent company, BNY Mellon, has organized its lines of business into different groups (collectively "Groups"). We are part of the Investment Management Group.

In certain circumstances, Investment Management sales representatives are paid fees for sales. The fees are generally based on revenues and may be a one-time payment or paid out over a number of years.



# WALTER SCOTT

---

Sales of any alternative investment products (such as private Funds) are required to be made through a broker-dealer affiliate. Only registered representatives of such affiliated broker-dealer are eligible to receive compensation for such sales.

Receipt of compensation in connection with the sale of our products and services gives rise to a conflict of interest in that it may give our sales representatives or affiliates an incentive to recommend investment products and services based on compensation they will receive, rather than solely on a client's needs.

## 10.2. OTHER COMPENSATION

In Australia, we are the investment adviser for two funds sponsored and distributed by Macquarie Bank. In the event that any Australian or New Zealand investors were to award us a new portfolio and not an investment in the existing funds, we would share our fees with Macquarie on a pre-arranged scale.

## 11. CUSTODY

Rule 206(4)-2 under the Advisers Act (the "Custody Rule") defines "custody" to include a situation in which an adviser or a related person holds, directly or indirectly, client funds or securities or has any authority to obtain possession of them, in connection with advisory services provided by the adviser.

For purposes of the Custody Rule, we are deemed to have "custody" of certain client assets because we have the ability to deduct fees from the custodial accounts of certain US private placement funds for which we act as investment manager, because client funds or securities are held by BNY Mellon (an affiliate of Walter Scott) and BNYMIA, as manager of certain US private placement funds for which we act as subadviser.

Generally, an adviser that is deemed to have custody of a client's funds or securities, among other things, is required to arrange for an annual independent verification of such funds or securities in accordance with the Custody Rule (the "Surprise Exam Requirement"). However, the Custody Rule contains the following exceptions, from the Surprise Exam Requirement:

- 1. Ability to Deduct Fees:** advisers deemed to have custody of client assets solely because of their ability to deduct fees from client accounts are not subject to the Surprise Exam Requirement, subject to certain conditions. We rely upon this exemption from the Surprise Exam Requirement.
- 2. Related Person & Operational Independence:** advisers deemed to have custody of client assets solely because a related person holds client assets will not be subject to the Surprise Exam Requirement, provided the adviser and the related person are "operationally independent." We rely upon this exemption from the Surprise Exam Requirement and have determined that our operations are independent from those of the Bank.
- 3. Pooled Investment Vehicles:** advisers deemed to have custody of the assets of clients formed as pooled investment vehicles will not be subject to the Surprise Exam Requirement, provided the pool has audited financial statements that are prepared in accordance with generally accepted accounting principles, audited by an independent auditor under Regulation S-X rule 2-01 and such statements are distributed to investors in the pool within 120 days at the end of the fiscal year. The US private placement funds for which we act as investment manager, and the bank collective investment funds for which we serve as sub-adviser, meet this requirement and we rely upon this exemption from the Surprise Exam Requirement.

US segregated account clients which have appointed a BNY Mellon affiliate as their custodian: you will receive from your bank, broker-dealer or other qualified custodian an account statement, at least quarterly, identifying the amount of funds and each security in the account at the end of the period and setting forth all transactions in the account during that period. Please review these statements carefully. You will also receive account statements separately from us. You are strongly urged to compare the account statements you receive from us with those that you receive from your qualified custodian.

We do not maintain physical possession of client assets held in separately managed accounts. Typically each of our clients independently selects a custodian with whom it contracts directly. Our authority to instruct the client's custodian is limited to that granted by the client to us in the investment management agreement.

## 12. INVESTMENT DISCRETION

# WALTER SCOTT

---

We typically accept discretionary investment authority over client assets, and clients must grant this authority to us in writing via a contract, or through an appointment to become the investment sub-adviser of a fund. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives and guidelines for the particular client account. Clients must deliver their investment guidelines and restrictions to us in writing, and we will manage to such guidelines and restrictions when making investment decisions.

## 13. VOTING CLIENT SECURITIES

As part of the contractual relationship between us and our clients, typically through an investment advisory agreement, a client may delegate to us its right to exercise voting authority in connection with the securities we manage for that client. Voting rights are most commonly exercised by casting votes by proxy at shareholder meetings on matters that have been submitted to shareholders for approval. Consistent with applicable rules under the Advisers Act, we have adopted and implemented written proxy voting policies and procedures that are reasonably designed: (1) to vote proxies, consistent with our fiduciary obligations, in the best interests of clients; and (2) to prevent conflicts of interest from influencing proxy voting decisions made on behalf of clients. We provide these proxy voting services as part of our investment management service to client accounts and do not separately charge a fee for this service.

Clients that have granted us with voting authority are not typically permitted to direct us on how to vote. Clients that have not granted us voting authority over securities held in their accounts will receive their proxies in accordance with the arrangements they have made with their services providers. We generally do not provide proxy voting recommendations to clients who have not granted us voting authority over their securities. Where we believe a vote is material, in that the outcome could significantly affect the long term investment return, on a best efforts basis, we will seek to contact clients to convey our views on the resolution.

For those clients' who have delegated authority for proxy voting to us, the aim is to ensure that all proxies are voted in line with Walter Scott's Proxy Voting policy, are in compliance with all regulatory requirements and are in the client's best interests. In cases where a client has given us specific proxy guidelines, these typically take precedence over our policy except where our policy is believed to be more conservative. Separate voting instructions are required to be issued by Walter Scott for those clients whose guidelines differ from those of ours.

We receive notice of proxy activity through custodians and Institutional Shareholders Services Inc. ("ISS").

## 14. REVIEW AND MONITORING OF PROXY VOTING

Voting is overseen by the Investment Stewardship and Sustainability Committee and all votes are signed off by either the Chair or Vice Chair of the Investment Stewardship Committee, Head of Investment Operations and Sustainability, Co-Head of Research, Executive Director Investment Operations, Head of Research Operations or in their absence a director of Walter Scott. The Investment Stewardship Committee will decide how to vote in the event a voting item does not fall within our policy or the investment manager or analyst has requested further guidance. Contentious issues also go to the committee for a final voting decision. The Investment Management Committee reviews any contentious voting decisions on a quarterly basis.

The Research Operations Team is responsible for managing the proxy voting process. The team works with the investment managers and analysts to ensure voting is consistent and aligned with our current thinking and approach. The process is overseen by the Investment Stewardship and Sustainability Committee.

## 15. CONFLICTS OF INTEREST

Potential conflicts of interest may arise when we exercise our discretionary proxy voting authority on behalf of client and fund accounts. For example, many of our clients are corporate-sponsored pension schemes associated with companies in which we invest. Walter Scott as a firm or senior employees of the firm may also have business or personal relationships with companies or stakeholders involved with the proxies that we are voting. This could be, for example, the issuer, proxy solicitor or a shareholder

# WALTER SCOTT

---

activist. This is not an exhaustive list and we may encounter additional conflicts when exercising our discretionary proxy voting authority.

We have designed our Proxy Voting Policy, procedures and pre-established voting guidelines to ensure that only the interests of our clients influence our voting decisions. In the event of a potential conflict, the matter is referred to our Investment Stewardship and Sustainability Committee to confirm if the vote in question is consistent with the Proxy Voting Policy.

If the Investment Stewardship and Sustainability Committee determines that a vote cannot be made consistent with the Proxy Voting Policy due to an actual or perceived conflict of interest, for example if the proxy proposal is not addressed by our pre-established voting guidelines or the conflict is too great, the committee will not approve voting. Instead, it will consider options deemed necessary and appropriate to manage the conflict and act in the best interests of clients, including, but not limited to, seeking voting direction or consent from clients.

## 16. VOTING GUIDELINES

While we consider all votes on a case-by-case basis, we have guidelines in place for specific issues. If an investment manager or analyst chooses not to follow these guidelines, they must explain the rationale and submit the conclusion to the Investment Stewardship and Sustainability Committee for review.

A copy of our Proxy Voting Policy is furnished to each client upon request and is provided to all segregated account clients as part of client take-on. Where requested, clients are regularly provided with proxy voting records. We disclose proxy voting records alongside our Proxy Voting Policy on our website.

## 17. LEGAL PROCEEDINGS (INCLUDING CLASS ACTIONS)

It is Walter Scott's policy that we do not advise, initiate or take any other action on behalf of clients relating to securities held in the client's account managed by Walter Scott in any legal proceeding (including, without limitation, class actions, class action settlements and bankruptcies). Walter Scott does not file proofs of claims relating to securities held in the client's account. Typically, custodians submit filings in connection with class action settlements and may also handle bankruptcy filings. Each client should consult with its custodian and other service providers to ensure such coverage.

## 18. FINANCIAL INFORMATION

In certain circumstances, registered investment advisers are required to provide you with financial information or disclosures about their financial condition in this Item. Walter Scott is not required to provide such financial information or disclosure as there are no fee arrangements whereby they are paid six months or more in advance.

Walter Scott has no financial commitment that impairs our ability to meet contractual and fiduciary commitments to clients and has never been the subject of a bankruptcy proceeding.



## FORM ADV PART 2B

Brochure Supplement

As of 29 March 2024

**Walter Scott & Partners Limited**

**One Charlotte Square, Edinburgh, EH2 4DR, United Kingdom**

**Tel: +44 131 225 1357**

This brochure supplement provides information about the key individuals that provide certain advisory services for you which supplements the Walter Scott & Partners Limited brochure. You should have received a copy of that brochure. Please contact the Compliance team on +44 131 225 1357 or [compliance@walterscott.com](mailto:compliance@walterscott.com) if you did not receive Walter Scott & Partners Limited's brochure or if you have any questions about the contents of this supplement.

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

# WALTER SCOTT

---

## CONTENTS

Brochure Supplement – Jane E. Henderson (Managing Director)	3
Brochure Supplement – Roy M. Leckie (Investment Director)	6
Brochure Supplement – Charles E. Macquaker (Investment Director)	9
Brochure Supplement – Hilda M. West (Head of Investment Operations and Sustainability)	12
Brochure Supplement – Derek S. Armstrong (Investment Manager)	15
Brochure Supplement – Alan R. Edington (Investment Manager – Responsible Investment)	17
Brochure Supplement – Alan J. Lander (Investment Manager - Co-Head of Research)	20
Brochure Supplement – Fraser Fox (Investment Manager)	23
Brochure Supplement – Maxim Skorniakov (Investment Manager)	26

# WALTER SCOTT

---

**Jane E. Henderson**  
**One Charlotte Square, Edinburgh, EH2 4DR, United Kingdom**  
**Tel: +44 131 225 1357**

**Walter Scott & Partners Limited**  
**One Charlotte Square, Edinburgh, EH2 4DR, United Kingdom**  
**Tel: +44 131 225 1357**

**Form ADV, Part 2B**  
**as of 29 March 2024**

Pursuant to new SEC rules and regulations, we prepared for you this brochure supplement because Jane E. Henderson performs certain advisory services for you.

This brochure supplement provides information about Jane E. Henderson that supplements Walter Scott & Partners Limited's brochure. You should have received a copy of that brochure. Please contact the Compliance team on +44 131 225 1357 or [compliance@walterscott.com](mailto:compliance@walterscott.com) if you did not receive Walter Scott & Partners Limited's brochure or if you have any questions about the contents of this supplement.

# WALTER SCOTT

## 2 EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Name	Jane E. Henderson
Year of birth	1972
Formal education after high school	1995: BSc (Hons) Marine and Environmental Biology (University of St Andrews)
Business Positions Held in the Preceding 5 Years	January 2010 – Present: Managing Director, Walter Scott & Partners Limited
Professional Designations Held	1996 - Investment Management Certificate (Institute of Investment Management & Research)

## 3 DISCIPLINARY INFORMATION

There are no legal or disciplinary events to report in respect of Jane E. Henderson.

## 4 OTHER BUSINESS ACTIVITIES

Jane E. Henderson has no other business activities outside her employment with Walter Scott.

## 5 ADDITIONAL COMPENSATION

Jane E. Henderson does not receive any other economic benefit in respect of the provision of advisory services other than a regular salary and any profit share.

## 6 SUPERVISION

Walter Scott operates a team based approach in order to draw on the combined knowledge and experience of the firm's investment professionals. Collective discussion and debate around investment ideas and all existing holdings is integral to Walter Scott's investment approach.

All investment proposals are reviewed by the investment research team and a buy proposal must obtain unanimous backing before being put forward to the Investment Executive. A sell decision requires only one well-researched dissenting argument to be put to the Investment Executive. There is therefore an important and deliberate asymmetry in the buy and sell decision making processes.

The Investment Executive comprises Jane Henderson, Roy Leckie, Charles Macquaker, Fraser Fox & Maxim Skorniakov. The group is quorate with three or more members and it generally meets twice weekly as well as on an ad hoc basis when required.

Formal oversight of the investment process is the responsibility of the Investment Management Committee (IMC) which reports directly to the Board. Jane E. Henderson is a member of the IMC which comprises all of the Firm's investment directors, head of research, senior investment managers, head of investment operations & sustainability, head of risk & compliance, head of dealing and head of portfolio & cash management. She is one of the individuals that carry the most significant responsibility for day to day discretionary advice.

The IMC carries responsibility for ensuring that client portfolios are appropriately positioned in line with their objectives and within any client restrictions. The IMC meets formally on a quarterly basis.



## WALTER SCOTT

---

All funds are subject to a daily automated compliance check against measurable client guidelines to detect potential alerts or warnings. All trade orders are subject to a number of pre-trade compliance checks in Charles River Investment Management Solution (CRIMS) where they are compared to the client guidelines to detect potential alerts or warnings.

All investment guidelines coded into CRIMS for new clients are reviewed manually by the Risk & Compliance (R&C) team within 60 days of funding. Any changes or amendments to existing guidelines are reviewed by the R&C team on a daily basis. A sample review of existing client guidelines coded into CRIMS is conducted by the R&C team on a quarterly basis which contributes to the compliance monitoring program.

The compliance monitoring program is structured so that the underlying policy and procedures of the topic under review are assessed to confirm that these are appropriate and meet relevant regulatory guidelines. Thereafter, sample testing is conducted to confirm these have been effectively implemented.

Hanneke Smits CEO, BNY Mellon Investment Management (Tel: +212 635 1012) is ultimately responsible for supervising Jane E. Henderson's advisory activities on behalf of the firm.

# WALTER SCOTT

---

**Roy M. Leckie**  
**One Charlotte Square, Edinburgh, EH2 4DR, United Kingdom**  
**Tel: +44 131 225 1357**

**Walter Scott & Partners Limited**  
**One Charlotte Square, Edinburgh, EH2 4DR, United Kingdom**  
**Tel: +44 131 225 1357**

**Form ADV, Part 2B**  
**as of 29 March 2024**

Pursuant to new SEC rules and regulations, we prepared for you this brochure supplement because Roy M. Leckie performs certain advisory services for you.

This brochure supplement provides information about Roy M. Leckie that supplements Walter Scott & Partners Limited's brochure. You should have received a copy of that brochure. Please contact the Compliance team on +44 131 225 1357 or [compliance@walterscott.com](mailto:compliance@walterscott.com) if you did not receive Walter Scott & Partners Limited's brochure or if you have any questions about the contents of this supplement.

# WALTER SCOTT

## 2 EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Name	Roy M. Leckie
Year of birth	1972
Formal education after high school	1995: BSc (Hons) Statistics (University of Glasgow)
Business Positions Held in the Preceding 5 Years	June 2008 – Present: Director, Walter Scott & Partners Limited
Professional Designations Held	1996 - Investment Management Certificate (Institute of Investment Management & Research)

## 3 DISCIPLINARY INFORMATION

There are no legal or disciplinary events to report in respect of Roy M. Leckie.

## 4 OTHER BUSINESS ACTIVITIES

Roy M. Leckie has no other business activities outside his employment with Walter Scott.

## 5 ADDITIONAL COMPENSATION

Roy M. Leckie does not receive any other economic benefit in respect of the provision of advisory services other than a regular salary and any profit share.

## 6 SUPERVISION

Walter Scott operates a team based approach in order to draw on the combined knowledge and experience of the firm's investment professionals. Collective discussion and debate around investment ideas and all existing holdings is integral to Walter Scott's investment approach.

All investment proposals are reviewed by the investment research team and a buy proposal must obtain unanimous backing before being put forward to the Investment Executive. A sell decision requires only one well-researched dissenting argument to be put to the Investment Executive. There is therefore an important and deliberate asymmetry in the buy and sell decision making processes.

The Investment Executive comprises Jane Henderson, Roy Leckie, Charles Macquaker, Fraser Fox & Maxim Skorniakov. The group is quorate with three or more members and it generally meets twice weekly as well as on an ad hoc basis when required.

Formal oversight of the investment process is the responsibility of the Investment Management Committee (IMC) which reports directly to the Board. Roy M. Leckie is a member of the IMC which comprises all of the Firm's investment directors, head of research, senior investment managers, head of investment operations & sustainability, head of risk & compliance, head of dealing and head of portfolio & cash management. He is one of the individuals that carry the most significant responsibility for day to day discretionary advice.

The IMC carries responsibility for ensuring that client portfolios are appropriately positioned in line with their objectives and within any client restrictions. The IMC meets formally on a quarterly basis.

All funds are subject to a daily automated compliance check against measurable client guidelines to detect potential alerts or warnings. All trade orders are subject to a number of pre-trade compliance checks in

## WALTER SCOTT

---

Charles River Investment Management Solution (CRIMS) where they are compared to the client guidelines to detect potential alerts or warnings.

All investment guidelines coded into CRIMS for new clients are reviewed manually by the Risk & Compliance (R&C) team within 60 days of funding. Any changes or amendments to existing guidelines are reviewed by the R&C team on a daily basis. A sample review of existing client guidelines coded into CRIMS is conducted by the R&C team on a quarterly basis which contributes to the compliance monitoring program.

The compliance monitoring program is structured so that the underlying policy and procedures of the topic under review are assessed to confirm that these are appropriate and meet relevant regulatory guidelines. Thereafter, sample testing is conducted to confirm these have been effectively implemented.

Jane E. Henderson, Managing Director (Tel: +44 131 225 1357) is ultimately responsible for supervising Roy M. Leckie's advisory activities on behalf of the firm.

# WALTER SCOTT

---

**Charles E. Macquaker**  
**One Charlotte Square, Edinburgh, EH2 4DR, United Kingdom**  
**Tel: +44 131 225 1357**

**Walter Scott & Partners Limited**  
**One Charlotte Square, Edinburgh, EH2 4DR, United Kingdom**  
**Tel: +44 131 225 1357**

**Form ADV, Part 2B**  
**as of 29 March 2024**

Pursuant to new SEC rules and regulations, we prepared for you this brochure supplement because Charles E. Macquaker performs certain advisory services for you.

This brochure supplement provides information about Charles E. Macquaker that supplements Walter Scott & Partners Limited's brochure. You should have received a copy of that brochure. Please contact the Compliance team on +44 131 225 1357 or [compliance@walterscott.com](mailto:compliance@walterscott.com) if you did not receive Walter Scott & Partners Limited's brochure or if you have any questions about the contents of this supplement.

# WALTER SCOTT

## 2. EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Name	Charles E. Macquaker
Year of birth	1968
Formal education after high school	1990: BSc Econ (Hons) European Studies (Buckingham University)
Business Positions Held in the Preceding 5 Years	March 2009 – Present: Director, Walter Scott & Partners Limited
Professional Designations Held	None

## 3. DISCIPLINARY INFORMATION

There are no legal or disciplinary events to report in respect of Charles E. Macquaker.

## 4. OTHER BUSINESS ACTIVITIES

Charles E. Macquaker has no other business activities outside his employment with Walter Scott.

## 5. ADDITIONAL COMPENSATION

Charles E. Macquaker does not receive any other economic benefit in respect of the provision of advisory services other than a regular salary and any profit share.

## 6. SUPERVISION

Walter Scott operates a team based approach in order to draw on the combined knowledge and experience of the firm's investment professionals. Collective discussion and debate around investment ideas and all existing holdings is integral to Walter Scott's investment approach.

All investment proposals are reviewed by the investment research team and a buy proposal must obtain unanimous backing before being put forward to the Investment Executive. A sell decision requires only one well-researched dissenting argument to be put to the Investment Executive. There is therefore an important and deliberate asymmetry in the buy and sell decision making processes.

The Investment Executive comprises Jane Henderson, Roy Leckie, Charles Macquaker, Fraser Fox & Maxim Skorniakov. The group is quorate with three or more members and it generally meets twice weekly as well as on an ad hoc basis when required.

Formal oversight of the investment process is the responsibility of the Investment Management Committee (IMC) which reports directly to the Board. Charles E. Macquaker is a member of the IMC which comprises all of the Firm's investment directors, head of research, senior investment managers, head of investment operations & sustainability, head of risk & compliance, head of dealing and head of portfolio & cash management. He is one of the individuals that carry the most significant responsibility for day to day discretionary advice.

The IMC carries responsibility for ensuring that client portfolios are appropriately positioned in line with their objectives and within any client restrictions. The IMC meets formally on a quarterly basis.

## WALTER SCOTT

---

All funds are subject to a daily automated compliance check against measurable client guidelines to detect potential alerts or warnings. All trade orders are subject to a number of pre-trade compliance checks in Charles River Investment Management Solution (CRIMS) where they are compared to the client guidelines to detect potential alerts or warnings.

All investment guidelines coded into CRIMS for new clients are reviewed manually by the Risk & Compliance (R&C) team within 60 days of funding. Any changes or amendments to existing guidelines are reviewed by the R&C team on a daily basis. A sample review of existing client guidelines coded into CRIMS is conducted by the R&C team on a quarterly basis which contributes to the compliance monitoring program.

The compliance monitoring program is structured so that the underlying policy and procedures of the topic under review are assessed to confirm that these are appropriate and meet relevant regulatory guidelines. Thereafter, sample testing is conducted to confirm these have been effectively implemented.

Jane E. Henderson, Managing Director (Tel: +44 131 225 1357) is ultimately responsible for supervising Charles E. Macquaker's advisory activities on behalf of the firm.

# WALTER SCOTT

---

**Hilda M. West**  
**One Charlotte Square, Edinburgh, EH2 4DR, United Kingdom**  
**Tel: +44 131 225 1357**

**Walter Scott & Partners Limited**  
**One Charlotte Square, Edinburgh, EH2 4DR, United Kingdom**  
**Tel: +44 131 225 1357**

**Form ADV, Part 2B**  
**as of 29 March 2024**

Pursuant to new SEC rules and regulations, we prepared for you this brochure supplement because Hilda West performs certain advisory services for you.

This brochure supplement provides information about Hilda M. West that supplements Walter Scott & Partners Limited's brochure. You should have received a copy of that brochure. Please contact the Compliance team on +44 131 225 1357 or [compliance@walterscott.com](mailto:compliance@walterscott.com) if you did not receive Walter Scott & Partners Limited's brochure or if you have any questions about the contents of this supplement.



# WALTER SCOTT

## 2. EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Name	Hilda M West
Year of birth	1970
Formal education after high school	BA (Hons) Business Studies, Napier University (2:1)
Business Positions Held in the Preceding 5 Years	March 2021 - Present Head of Investment Operations & Sustainability  Dec 2019 – March 2021 Head of Investment Operations  2015-2019 (approx.) Co-Head Investment Operations  Prior to 2015 Senior Investment Manager
Professional Designations Held	1996 - Investment Management Certificate

## 3. DISCIPLINARY INFORMATION

There are no legal or disciplinary events to report in respect of Hilda M. West.

## 4. OTHER BUSINESS ACTIVITIES

Hilda M. West has no other business activities outside her employment with Walter Scott.

## 5. ADDITIONAL COMPENSATION

Hilda M. West does not receive any other economic benefit in respect of the provision of advisory services other than a regular salary and any profit share.

## 6. SUPERVISION

Walter Scott operates a team based approach in order to draw on the combined knowledge and experience of the firm's investment professionals. Collective discussion and debate around investment ideas and all existing holdings is integral to Walter Scott's investment approach.

All investment proposals are reviewed by the investment research team and a buy proposal must obtain unanimous backing before being put forward to the Investment Executive. A sell decision requires only one well-researched dissenting argument to be put to the Investment Executive. There is therefore an important and deliberate asymmetry in the buy and sell decision making processes.

The Investment Executive comprises Jane Henderson, Roy Leckie, Charles Macquaker, Fraser Fox & Maxim Skorniakov. The group is quorate with three or more members and it generally meets twice weekly as well as on an ad hoc basis when required.

Formal oversight of the investment process is the responsibility of the Investment Management Committee (IMC) which reports directly to the Board. Hilda West is a member of the IMC which comprises all of the Firm's investment directors, head of research, senior investment managers, head of investment operations & sustainability, head of risk & compliance, head of dealing and head of portfolio & cash management. She is the individual with most significant responsibility for day-to-day oversight of Sustainability and Responsible Investment.

## WALTER SCOTT

---

The IMC carries responsibility for ensuring that client portfolios are appropriately positioned in line with their objectives and within any client restrictions. The IMC meets formally on a quarterly basis.

All funds are subject to a daily automated compliance check against measurable client guidelines to detect potential alerts or warnings. All trade orders are subject to a number of pre-trade compliance checks in Charles River Investment Management Solution (CRIMS) where they are compared to the client guidelines to detect potential alerts or warnings.

All investment guidelines coded into CRIMS for new clients are reviewed manually by the Risk & Compliance (R&C) team within 60 days of funding. Any changes or amendments to existing guidelines are reviewed by the R&C team on a daily basis. A sample review of existing client guidelines coded into CRIMS is conducted by the R&C team on a quarterly basis which contributes to the compliance monitoring program.

The compliance monitoring program is structured so that the underlying policy and procedures of the topic under review are assessed to confirm that these are appropriate and meet relevant regulatory guidelines. Thereafter, sample testing is conducted to confirm these have been effectively implemented.

Jane E. Henderson (Managing Director) (Tel: +44 131 225 1357) is ultimately responsible for supervising Hilda West in relation to advisory activities on behalf of the firm.

# WALTER SCOTT

---

**Derek S. Armstrong**  
**One Charlotte Square, Edinburgh, EH2 4DR, United Kingdom**  
**Tel: +44 131 225 1357**

**Walter Scott & Partners Limited**  
**One Charlotte Square, Edinburgh, EH2 4DR, United Kingdom**  
**Tel: +44 131 225 1357**

**Form ADV, Part 2B**  
**as of 29 March 2024**

Pursuant to new SEC rules and regulations, we prepared for you this brochure supplement because Derek S. Armstrong performs certain advisory services for you.

This brochure supplement provides information about Derek S. Armstrong that supplements Walter Scott & Partners Limited's brochure. You should have received a copy of that brochure. Please contact the Compliance team on +44 131 225 1357 or [compliance@walterscott.com](mailto:compliance@walterscott.com) if you did not receive Walter Scott & Partners Limited's brochure or if you have any questions about the contents of this supplement.

# WALTER SCOTT

## 2. EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Name	Derek S. Armstrong
Year of birth	1977
Formal education after high school	1999: BSc (hons) in Pharmacology (University of Aberdeen)
Business Positions Held in the Preceding 5 Years	May 2004 – Present: Investment Manager, Walter Scott & Partners Limited
Professional Designations Held	2006 - Investment Management Certificate

## 3. DISCIPLINARY INFORMATION

There are no legal or disciplinary events to report in respect of Derek S. Armstrong.

## 4. OTHER BUSINESS ACTIVITIES

Derek S. Armstrong has no other business activities outside his employment with Walter Scott.

## 5. ADDITIONAL COMPENSATION

Derek S. Armstrong does not receive any other economic benefit in respect of the provision of advisory services other than a regular salary and any profit share.

## 6. SUPERVISION

Walter Scott operates a team based approach in order to draw on the combined knowledge and experience of the firm's investment professionals. Collective discussion and debate around investment ideas and all existing holdings is integral to Walter Scott's investment approach.

All investment proposals are reviewed by the investment research team and a buy proposal must obtain unanimous backing before being put forward to the Investment Executive. A sell decision requires only one well-researched dissenting argument to be put to the Investment Executive. There is therefore an important and deliberate asymmetry in the buy and sell decision making processes.

The Investment Executive comprises Jane Henderson, Roy Leckie, Charles Macquaker, Fraser Fox & Maxim Skorniakov. The group is quorate with three or more members and it generally meets twice weekly as well as on an ad hoc basis when required.

All funds are subject to a daily automated compliance check against measurable client guidelines to detect potential alerts or warnings. All trade orders are subject to a number of pre-trade compliance checks in Charles River Investment Management Solution (CRIMS) where they are compared to the client guidelines to detect potential alerts or warnings.

All investment guidelines coded into CRIMS for new clients are reviewed manually by the Risk & Compliance (R&C) team within 60 days of funding. Any changes or amendments to existing guidelines are reviewed by the R&C team on a daily basis. A sample review of existing client guidelines coded into CRIMS is conducted by the R&C team on a quarterly basis which contributes to the compliance monitoring program.

The compliance monitoring program is structured so that the underlying policy and procedures of the topic under review are assessed to confirm that these are appropriate and meet relevant regulatory guidelines. Thereafter, sample testing is conducted to confirm these have been effectively implemented.

Charles E. Macquaker (Director) (Tel: +44 131 225 1357) is ultimately responsible for supervising Derek S. Armstrong's advisory activities on behalf of the firm.

# WALTER SCOTT

---

**Alan R. Edington**  
**One Charlotte Square, Edinburgh, EH2 4DR, United Kingdom**  
**Tel: +44 131 225 1357**

**Walter Scott & Partners Limited**  
**One Charlotte Square, Edinburgh, EH2 4DR, United Kingdom**  
**Tel: +44 131 225 1357**

**Form ADV, Part 2B**  
**as of 29 March 2024**

Pursuant to new SEC rules and regulations, we prepared for you this brochure supplement because Alan R. Edington performs certain advisory services for you.

This brochure supplement provides information about Alan R. Edington that supplements Walter Scott & Partners Limited's brochure. You should have received a copy of that brochure. Please contact the Compliance team on +44 131 225 1357 or [compliance@walterscott.com](mailto:compliance@walterscott.com) if you did not receive Walter Scott & Partners Limited's brochure or if you have any questions about the contents of this supplement.

# WALTER SCOTT

## 2. EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Name	Alan R. Edington
Year of birth	1983
Formal education after high school	2005: BA (hons) in Law (Oxford University) 2006: Legal Practice Certificate
Business Positions Held in the Preceding 5 Years	February 2023 – Present Investment Manager – ESG Integration  March 2021 – February 2023 Investment Manager – Responsible Investment  Jan 2016 – March 2021 Co-Head of Research, Walter Scott & Partners Limited  Jan 2012 – December 2015: Investment Manager, Walter Scott & Partners Limited
Professional Designations Held	Xxxx – Certificate in Climate & Investing (CFA CCI)  2012 - Investment Management Certificate  2015 - Chartered Financial Analyst (CFA)

## 3. DISCIPLINARY INFORMATION

There are no legal or disciplinary events to report in respect of Alan R. Edington.

## 4. OTHER BUSINESS ACTIVITIES

Alan R. Edington has no other business activities outside his employment with Walter Scott.

## 5. ADDITIONAL COMPENSATION

Alan R. Edington does not receive any other economic benefit in respect of the provision of advisory services other than a regular salary and any profit share.

## 6. SUPERVISION

Walter Scott operates a team based approach in order to draw on the combined knowledge and experience of the firm's investment professionals. Collective discussion and debate around investment ideas and all existing holdings is integral to Walter Scott's investment approach.

All investment proposals are reviewed by the investment research team and a buy proposal must obtain unanimous backing before being put forward to the Investment Executive. A sell decision requires only one well-researched dissenting argument to be put to the Investment Executive. There is therefore an important and deliberate asymmetry in the buy and sell decision making processes.

The Investment Executive comprises Jane Henderson, Roy Leckie, Charles Macquaker, Fraser Fox & Maxim Skorniakov. The group is quorate with three or more members and it generally meets twice weekly as well as on an ad hoc basis when required.

Formal oversight of the investment process is the responsibility of the Investment Management Committee (IMC) which reports directly to the Board. Alan R. Edington is a member of the IMC which comprises all of the Firm's investment directors, head of research, senior investment managers, head of investment

## WALTER SCOTT

---

operations & sustainability, head of risk & compliance, head of dealing and head of portfolio & cash management implementation. He is one of the individuals that carry the most significant responsibility for day to day discretionary advice.

The IMC carries responsibility for ensuring that client portfolios are appropriately positioned in line with their objectives and within any client restrictions. The IMC meets formally on a quarterly basis.

All funds are subject to a daily automated compliance check against measurable client guidelines to detect potential alerts or warnings. All trade orders are subject to a number of pre-trade compliance checks in Charles River Investment Management Solution (CRIMS) where they are compared to the client guidelines to detect potential alerts or warnings.

All investment guidelines coded into CRIMS for new clients are reviewed manually by the Risk & Compliance (R&C) team within 60 days of funding. Any changes or amendments to existing guidelines are reviewed by the R&C team on a daily basis. A sample review of existing client guidelines coded into CRIMS is conducted by the R&C team on a quarterly basis which contributes to the compliance monitoring program.

The compliance monitoring program is structured so that the underlying policy and procedures of the topic under review are assessed to confirm that these are appropriate and meet relevant regulatory guidelines. Thereafter, sample testing is conducted to confirm these have been effectively implemented.

Charles E. Macquaker (Director) (Tel: +44 131 225 1357) and Hilda M. West (Head of Investment Operations and Sustainability) (Tel: +44 131 225 1357) are ultimately responsible for supervising Alan R. Edington's advisory activities on behalf of the firm.

# WALTER SCOTT

---

**Alan J. Lander**  
**One Charlotte Square, Edinburgh, EH2 4DR, United Kingdom**  
**Tel: +44 131 225 1357**

**Walter Scott & Partners Limited**  
**One Charlotte Square, Edinburgh, EH2 4DR, United Kingdom**  
**Tel: +44 131 225 1357**

**Form ADV, Part 2B**  
**as of 29 March 2024**

Pursuant to new SEC rules and regulations, we prepared for you this brochure supplement because Alan J. Lander performs certain advisory services for you.

This brochure supplement provides information about Alan J. Lander that supplements Walter Scott & Partners Limited's brochure. You should have received a copy of that brochure. Please contact the Compliance team on +44 131 225 1357 or [compliance@walterscott.com](mailto:compliance@walterscott.com) if you did not receive Walter Scott & Partners Limited's brochure or if you have any questions about the contents of this supplement.



# WALTER SCOTT

## 7. EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Name	Alan James Lander
Year of birth	1983
Formal education after high school	BSc, Mathematics, University of Nottingham MSc, Financial Mathematics, University of Edinburgh & Heriot-Watt University
Business Positions Held in the Preceding 5 Years	Aug 2023 - Present Head of Research  March 2021 – Aug 2023 Investment Manager – Co-Head of Research  October 2006 – March 2021 Investment Manager, Walter Scott & Partners Limited
Professional Designations Held	2020 - Certificate in Climate & Investing (CFA CCI)  2020 – Certificate in ESG Investing (ESG CFA)  2008 - Investment Management Certificate  2010 - Chartered Financial Analyst (CFA)

## 8. DISCIPLINARY INFORMATION

There are no legal or disciplinary events to report in respect of Alan J. Lander.

## 9. OTHER BUSINESS ACTIVITIES

Alan J. Lander has no other business activities outside his employment with Walter Scott.

## 10. ADDITIONAL COMPENSATION

Alan J. Lander does not receive any other economic benefit in respect of the provision of advisory services other than a regular salary and any profit share.

## 11. SUPERVISION

Walter Scott operates a team based approach in order to draw on the combined knowledge and experience of the firm's investment professionals. Collective discussion and debate around investment ideas and all existing holdings is integral to Walter Scott's investment approach.

All investment proposals are reviewed by the investment research team and a buy proposal must obtain unanimous backing before being put forward to the Investment Executive. A sell decision requires only one well-researched dissenting argument to be put to the Investment Executive. There is therefore an important and deliberate asymmetry in the buy and sell decision making processes.

The Investment Executive comprises Jane Henderson, Roy Leckie, Charles Macquaker, Fraser Fox & Maxim Skorniakov. The group is quorate with three or more members and it generally meets twice weekly as well as on an ad hoc basis when required.

Formal oversight of the investment process is the responsibility of the Investment Management Committee (IMC) which reports directly to the Board. Alan J. Lander is a member of the IMC which comprises all of the Firm's investment directors, head of research, senior investment managers, head of investment operations &

## WALTER SCOTT

---

sustainability, head of risk & compliance, head of dealing and head of portfolio & cash management. He is one of the individuals that carry the most significant responsibility for day to day discretionary advice.

The IMC carries responsibility for ensuring that client portfolios are appropriately positioned in line with their objectives and within any client restrictions. The IMC meets formally on a quarterly basis.

All funds are subject to a daily automated compliance check against measurable client guidelines to detect potential alerts or warnings. All trade orders are subject to a number of pre-trade compliance checks in Charles River Investment Management Solution (CRIMS) where they are compared to the client guidelines to detect potential alerts or warnings.

All investment guidelines coded into CRIMS for new clients are reviewed manually by the Risk & Compliance (R&C) team within 60 days of funding. Any changes or amendments to existing guidelines are reviewed by the R&C team on a daily basis. A sample review of existing client guidelines coded into CRIMS is conducted by the R&C team on a quarterly basis which contributes to the compliance monitoring program.

The compliance monitoring program is structured so that the underlying policy and procedures of the topic under review are assessed to confirm that these are appropriate and meet relevant regulatory guidelines. Thereafter, sample testing is conducted to confirm these have been effectively implemented.

Charles E. Macquaker (Director) (Tel: +44 131 225 1357) is ultimately responsible for supervising Alan J. Lander's advisory activities on behalf of the firm.

# WALTER SCOTT

---

**Fraser Fox**  
**One Charlotte Square, Edinburgh, EH2 4DR, United Kingdom**  
**Tel: +44 131 225 1357**

**Walter Scott & Partners Limited**  
**One Charlotte Square, Edinburgh, EH2 4DR, United Kingdom**  
**Tel: +44 131 225 1357**

**Form ADV, Part 2B**  
**as of 29 March 2024**

Pursuant to new SEC rules and regulations, we prepared for you this brochure supplement because Fraser Fox performs certain advisory services for you.

This brochure supplement provides information about Fraser Fox that supplements Walter Scott & Partners Limited's brochure. You should have received a copy of that brochure. Please contact the Compliance team on +44 131 225 1357 or [compliance@walterscott.com](mailto:compliance@walterscott.com) if you did not receive Walter Scott & Partners Limited's brochure or if you have any questions about the contents of this supplement.

# WALTER SCOTT

## 12. EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Name	Fraser Fox
Year of birth	1981
Formal education after high school	University of Edinburgh, Bachelor of Law (LLB) in Law, 1999-2003, First Class Honours
Business Positions Held in the Preceding 5 Years	March 2009 – Present Investment Manager, Walter Scott & Partners Limited
Professional Designations Held	2004 - Investment Management Certificate  2006 - Chartered Financial Analyst (CFA)

## 13. DISCIPLINARY INFORMATION

There are no legal or disciplinary events to report in respect of Fraser Fox.

## 14. OTHER BUSINESS ACTIVITIES

Fraser Fox has no other business activities outside his employment with Walter Scott.

## 15. ADDITIONAL COMPENSATION

Fraser Fox does not receive any other economic benefit in respect of the provision of advisory services other than a regular salary and any profit share.

## 16. SUPERVISION

Walter Scott operates a team based approach in order to draw on the combined knowledge and experience of the firm's investment professionals. Collective discussion and debate around investment ideas and all existing holdings is integral to Walter Scott's investment approach.

All investment proposals are reviewed by the investment research team and a buy proposal must obtain unanimous backing before being put forward to the Investment Executive. A sell decision requires only one well-researched dissenting argument to be put to the Investment Executive. There is therefore an important and deliberate asymmetry in the buy and sell decision making processes.

The Investment Executive comprises Jane Henderson, Roy Leckie, Charles Macquaker, Fraser Fox & Maxim Skorniakov. The group is quorate with three or more members and it generally meets twice weekly as well as on an ad hoc basis when required.

All funds are subject to a daily automated compliance check against measurable client guidelines to detect potential alerts or warnings. All trade orders are subject to a number of pre-trade compliance checks in Charles River Investment Management Solution (CRIMS) where they are compared to the client guidelines to detect potential alerts or warnings.

All investment guidelines coded into CRIMS for new clients are reviewed manually by the Risk & Compliance (R&C) team within 60 days of funding. Any changes or amendments to existing guidelines are reviewed by the R&C team on a daily basis. A sample review of existing client guidelines coded into CRIMS is conducted by the R&C team on a quarterly basis which contributes to the compliance monitoring program.

## WALTER SCOTT

The compliance monitoring program is structured so that the underlying policy and procedures of the topic under review are assessed to confirm that these are appropriate and meet relevant regulatory guidelines. Thereafter, sample testing is conducted to confirm these have been effectively implemented.

Charles E. Macquaker (Director) (Tel: +44 131 225 1357) is ultimately responsible for supervising Fraser Fox's advisory activities on behalf of the firm.

# WALTER SCOTT

---

**Maxim Skorniakov**  
**One Charlotte Square, Edinburgh, EH2 4DR, United Kingdom**  
**Tel: +44 131 225 1357**

**Walter Scott & Partners Limited**  
**One Charlotte Square, Edinburgh, EH2 4DR, United Kingdom**  
**Tel: +44 131 225 1357**

**Form ADV, Part 2B**  
**as of 29 March 2024**

Pursuant to new SEC rules and regulations, we prepared for you this brochure supplement because Maxim Skorniakov performs certain advisory services for you.

This brochure supplement provides information about Maxim Skorniakov that supplements Walter Scott & Partners Limited's brochure. You should have received a copy of that brochure. Please contact the Compliance team on +44 131 225 1357 or [compliance@walterscott.com](mailto:compliance@walterscott.com) if you did not receive Walter Scott & Partners Limited's brochure or if you have any questions about the contents of this supplement.

# WALTER SCOTT

## 17. EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Name	Maxim Skorniakov
Year of birth	1976
Formal education after high school	Stirling University, 2002-2003, MSC Investment analysis, Finance and Accounting University of Colorado at Denver, 2000-2001, MA Economics Udmurt State University, 1993-1998, Business management/economics
Business Positions Held in the Preceding 5 Years	March 2009 – Present Investment Manager, Walter Scott & Partners Limited
Professional Designations Held	2004 - Investment Management Certificate  2006 - Chartered Financial Analyst (CFA)

## 18. DISCIPLINARY INFORMATION

There are no legal or disciplinary events to report in respect of Maxim Skorniakov.

## 19. OTHER BUSINESS ACTIVITIES

Maxim Skorniakov has no other business activities outside his employment with Walter Scott.

## 20. ADDITIONAL COMPENSATION

Maxim Skorniakov does not receive any other economic benefit in respect of the provision of advisory services other than a regular salary and any profit share.

## 21. SUPERVISION

Walter Scott operates a team based approach in order to draw on the combined knowledge and experience of the firm's investment professionals. Collective discussion and debate around investment ideas and all existing holdings is integral to Walter Scott's investment approach.

All investment proposals are reviewed by the investment research team and a buy proposal must obtain unanimous backing before being put forward to the Investment Executive. A sell decision requires only one well-researched dissenting argument to be put to the Investment Executive. There is therefore an important and deliberate asymmetry in the buy and sell decision making processes.

The Investment Executive comprises Jane Henderson, Roy Leckie, Charles Macquaker, Fraser Fox & Maxim Skorniakov. The group is quorate with three or more members and it generally meets twice weekly as well as on an ad hoc basis when required.

All funds are subject to a daily automated compliance check against measurable client guidelines to detect potential alerts or warnings. All trade orders are subject to a number of pre-trade compliance checks in Charles River Investment Management Solution (CRIMS) where they are compared to the client guidelines to detect potential alerts or warnings.

All investment guidelines coded into CRIMS for new clients are reviewed manually by the Risk & Compliance (R&C) team within 60 days of funding. Any changes or amendments to existing guidelines are reviewed by the R&C team on a daily basis. A sample review of existing client guidelines coded into CRIMS is conducted by the R&C team on a quarterly basis which contributes to the compliance monitoring program.

## WALTER SCOTT

The compliance monitoring program is structured so that the underlying policy and procedures of the topic under review are assessed to confirm that these are appropriate and meet relevant regulatory guidelines. Thereafter, sample testing is conducted to confirm these have been effectively implemented.

Charles E. Macquaker (Director) (Tel: +44 131 225 1357) is ultimately responsible for supervising Maxim Skorniakov's advisory activities on behalf of the firm.



## FACTS

## WHAT DOES BNY MELLON INVESTMENT MANAGEMENT DO WITH YOUR PERSONAL INFORMATION?

<b>Why?</b>	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
<b>What?</b>	The types of personal information we collect and share depend on the product or service you have with us. This information can include: <ul style="list-style-type: none"> <li>■ Social Security Number</li> <li>■ Assets and income</li> <li>■ Account balances and transaction history</li> <li>■ Payment history</li> </ul>
<b>How?</b>	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons BNY Mellon Investment Management chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does BNY Mellon Investment Management share?	Can you limit this sharing?
<b>For our everyday business purposes—</b> such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
<b>For our marketing purposes—</b> to offer our products and services to you	Yes	No
<b>For joint marketing with other financial companies</b>	No	We don't share
<b>For our affiliates' everyday business purposes—</b> information about your transactions and experiences	Yes	No
<b>For our affiliates' everyday business purposes—</b> information about your creditworthiness	No	We don't share
<b>For our affiliates to market to you</b>	Yes	Yes
<b>For nonaffiliates to market to you</b>	No	We don't share

<b>To limit our sharing</b>	<p><b>Call 1-866-206-5660. Our menu will prompt you through the process.</b></p> <p>When you call, you will need to provide:</p> <ul style="list-style-type: none"> <li>■ The last 4 digits of your Social Security number</li> <li>■ Your zip code</li> <li>■ The first 5 letters of your last name (Provide all letters if your last name is less than 5 letters.)</li> </ul> <p><b>Please note: If you have previously called or submitted a written request instructing us to limit our sharing of personal information with our affiliates to market to you, your request will apply until you tell us to change your request or for 5 years from when you made the request, whichever is sooner. After that period expires but before any of our affiliates market to you, you will receive a renewal notice that will allow you to continue to limit marketing offers from our affiliates for at least another 5 years.</b></p> <p>If you invest in any of the funds providing this notice through a non-affiliated third party, such as a bank, broker-dealer or financial adviser, you will automatically be excluded from personal information sharing with affiliates to market to you. There is no need for you to notify us.</p> <p>If you are a new customer, we may begin sharing your information 30 days from the date we deliver this notice to you. When you are no longer our customer, we may continue to share your information as described in this notice. However, you can contact us at any time to limit our sharing.</p>
-----------------------------	--

<b>Questions?</b>	Call <b>1-800-847-3560</b> or visit our website via the following link: <b><a href="https://im.bnymellon.com/us/en/individual/policies/online-privacy-policy.html">https://im.bnymellon.com/us/en/individual/policies/online-privacy-policy.html</a></b>
-------------------	---

**Who we are**

Who is providing this notice?	This notice is provided by the BNY Mellon Family of Funds (including Dreyfus money market funds), BNY Mellon Funds Trust, BNY Mellon Investment Adviser, Inc., BNY Mellon Securities Corporation, BNY Mellon Transfer, Inc., BNY Mellon Insurance Agency, Inc. and The Bank of New York Mellon as Custodian for retirement plan accounts sponsored by BNY Mellon Investment Adviser, Inc. Any BNY Mellon Investment Management entities or businesses not listed here may provide their own notice.
-------------------------------	---

**What we do**

How does BNY Mellon Investment Management protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
How does BNY Mellon Investment Management collect my personal information?	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> <li>■ open an account or deposit money</li> <li>■ give us your income information</li> <li>■ tell us about your investment or retirement portfolio</li> <li>■ direct us to buy securities</li> </ul> <p>We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.</p>
Why can't I limit all sharing?	<p>Federal law gives you the right to limit some but not all sharing related to:</p> <ul style="list-style-type: none"> <li>■ affiliates' everyday business purposes—information about your creditworthiness</li> <li>■ affiliates from using your information to market to you</li> <li>■ nonaffiliates to market to you</li> </ul> <p>State laws and individual companies may give you additional rights to limit sharing. See below for more on your rights under state law.</p>
What happens when I limit sharing for an account I hold jointly with someone else?	Your choices will apply to everyone on your account.

**Definitions**

Affiliates	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> <li>■ Our affiliates include banks and companies whose names include "The Bank of New York," "BNY," "Mellon," "Insight," or "Newton," and other financial companies such as Pershing LLC, and Walter Scott &amp; Partners Limited.</li> </ul> <p>Your opt-out will also apply to banks or other companies that may become our affiliates in the future.</p>
Nonaffiliates	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> <li>■ BNY Mellon Investment Management does not share information with nonaffiliates so they can market to you.</li> </ul>
Joint marketing	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> <li>■ BNY Mellon Investment Management doesn't jointly market.</li> </ul>

**Other important information**

STATE LAWS: We follow state law where state law provides you with additional privacy protections.

FOR RESIDENTS OF VERMONT If our account records show that you live in Vermont, we will not disclose nonpublic personal information about you to our affiliates for the purpose of enabling them to market their products and services to you. There is no need for you to call to opt out.