

LEGG MASON PRIVATE PORTFOLIO GROUP, LLC

QS Investors, LLC

June 25, 2021

This PDF contains the following documents:

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Form CRS (Customer Relationship Summary) of QS Investors, LLC
- II Legg Mason Private Portfolio Group, LLC
 - Form ADV Part 2A Disclosure Brochure (June 24, 2021)
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Document I

**Legg Mason Private Portfolio Group, LLC
Form CRS (Customer Relationship Summary)**

**QS Investors, LLC
Form CRS (Customer Relationship Summary)**

Legg Mason Private Portfolio Group, LLC (“LMPPG”) Customer Relationship Summary (“CRS”) - May 26, 2020

Introduction

LMPPG is registered with the Securities and Exchange Commission as an investment adviser. Our firm provides investment advisory services to clients that participate in managed account programs sponsored by unaffiliated financial intermediaries (“Sponsor Firms”).

This CRS is intended to provide retail investors (a natural person or a natural person’s legal representative) with a high-level overview of our investment advisory services. Accordingly, if you are not a retail investor, please disregard this CRS. You should receive a separate CRS from your Sponsor Firm describing the services provided by your Sponsor Firm and its representatives. This CRS contains references to specific sections of LMPPG’s Form ADV Part 2A brochure (the “Brochure”) where you can find more detailed disclosures about certain of the topics covered in this CRS.

Investment advisory services and fees differ from brokerage services and fees, and it is important for you to understand the differences. Free and simple tools are available to research firms and financial professionals at Investor.gov/CRS, which also provides educational materials about investment advisers, broker-dealers, and investing. The boxes below contain “conversation starter” questions you may wish to ask us to better understand our investment advisory services.

What investment services and advice can you provide me?

We, together with our affiliated sub-advisers (“Subadvisers”), offer a wide range of equity and fixed income investment management strategies to clients. *Such strategies are described in **Item 8** of the Brochure or the Sub-Adviser’s Part 2A brochure on the SEC’s website at www.adviserinfo.sec.gov. You work with your Sponsor Firm representative to select a strategy for your account that is suitable and appropriate for you in light of your investment objectives and personal circumstances. Each of the available strategies has a minimum investment amount. *Such minimums are set forth in **Item 7** of the Brochure.**

We manage client accounts under LMPPG-Implemented Programs and Discretionary Model Programs, *as described in **Item 4** of the Brochure.* Under both types of programs, we have investment discretion over your account (i.e., the authority to determine the securities that are purchased, sold and held in your account) and delegate such discretion to the Subadviser for your selected strategy. In the case of LMPPG-Implemented Programs, we also have discretionary authority to implement the Subadviser’s investment decisions and to select broker-dealers with which to effect transactions for client accounts. Depending on the strategy, we may delegate such authority to the Subadviser. *Please see **Item 4, Item 12 and Item 16** of the Brochure.*

In the case of LMPPG-Implemented Programs, we or the designated Subadviser will review your account on a regular basis to confirm that it is being managed in accordance with your selected strategy. *Please see **Item 13** of the Brochure.*

- *Given my financial situation, should I choose an investment advisory service? Why or why not?*

Please note that your Sponsor firm representative is in the best position to answer these questions for you.

- *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?

We receive an asset-based fee, which is typically paid on a monthly or quarterly basis, for managing the assets in your account. Such fee is paid either directly by you or by your Sponsor Firm out of the fee you pay to the Sponsor Firm. *Please see Section A of Item 5 of the Brochure for information concerning the fee rates and fee ranges that apply to the various investment strategies that are available through LMPPG.* In addition to our fees, your account may incur other costs, including without limitation fees charged by your Sponsor Firm, custody fees, brokerage and trade execution costs for all or certain transactions, and tradeaway, prime brokerage and similar processing charges. *Please see Section B of Item 5 and Item 12 of the Brochure.*

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.

- *Help me understand how these 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 acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?

When we 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, we may face certain conflicts of interest in the course of providing services to you. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. An example of a conflict is that our employees may make personal investments in the same securities in which your account invests. We have adopted a Code of Ethics imposing standards of conduct, including requirements to put client interests first and not to take inappropriate advantage of employment-related information, to address such conflict. *Please see Item 11 and Item 12 of the Brochure for more information concerning various conflicts of interest faced by us and the policies and procedures that we have adopted to address such conflicts.*

- *How might your conflicts of interest affect me, and how will you address them?*

How do your financial professionals make money?

Our employees receive a base salary and an annual merit bonus. They do not receive compensation based on sales, client referrals or new accounts.

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

Yes. Please see **Item 11** of LMPPG's Form ADV Part 1. The matter disclosed in Item 11 involved Legg Mason, Inc, LMPPG's parent company, and has nothing to do with LMPPG. You may visit Investor.gov/CRS for a free and simple search tool to research LMPPG and its employees.

- *As a financial professional, do you have any disciplinary history? For what type of conduct?*

Additional Information

You can find additional information about us, including a copy of the Brochure, on the SEC's website at www.adviserinfo.sec.gov. You may call us at (212) 805-2000 to request up-to-date information or a copy of this CRS.

- *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?*

QS Investors, LLC ("QS Investors" or the "Firm") is registered with the Securities and Exchange Commission as an investment adviser. QS Investors provides investment advisory services to managed account programs sponsored by unaffiliated financial intermediaries ("Sponsor Firms"), as a sub-adviser to Legg Mason Private Portfolio Group, LLC ("LMPPG").

This Customer Relationship Summary ("CRS") is intended to provide retail investors with a high-level overview of QS Investors' investment advisory services. Investors in managed account programs should receive a CRS from their Sponsor Firm describing the services provided by the Sponsor Firm and its representatives.

This CRS references sections of QS Investors' Form ADV 2A Brochure (the "Brochure") which provides additional detail about the Firm and certain information described in this CRS. The Brochure may be obtained by visiting adviserinfo.sec.gov.

Investment advisory services and fees differ, and it is important for retail investors to understand the differences. Free and simple tools are available to research QS Investors and other firms and financial professionals at Investor.gov/CRS, which also provides educational materials about broker-dealers, investment advisers, and investing.

What investment services and advice can you provide me?

QS Investors offers a wide range of quantitative investment strategies, each of which are described in Item 8 of the Brochure. As an investor in a managed account program, you work with the Sponsor Firm to select a QS Investors strategy that is suitable for you in consideration of your investment objectives and personal circumstances. QS Investors will provide model portfolios to LMPPG with instructions to implement such portfolios. The model portfolios are reviewed on a regular basis to confirm that they are structured in accordance with their respective strategies. Depending on the nature of the agreement between QS Investors and the Sponsor Firms, QS Investors may or may not exercise discretion over client accounts. The minimum investment amount varies by strategy, and each of the minimums are detailed in Item 5 of the Brochure.

Consider asking your financial professional:

- Given my financial situation, should I choose an investment advisory service? 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?

Investors bear ongoing fees which provide for the costs associated with the management, servicing, and administration of their account(s). These fees include but are not limited to transaction costs, custody fees, account maintenance fees, and management fees associated with mutual funds in which the account invests. Since these fees are based on a percentage of the total value of assets in your account, your fees will increase as your account balance(s) increase. Additional information about the fees and costs that retail investors can expect to incur is included in Item 5 of the Brochure.

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.

Consider asking your financial professional:

- Help me understand how these 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 acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?

When we 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 creates some conflicts with your interests. You should understand and ask us about the conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what this means.

QS Investors and/or its affiliates manage certain of the underlying funds in your account and collect a portion of the management fee charged by each fund. If the funds invest in funds managed by an unaffiliated third party, QS Investors may receive and retain fees to help offset QS Investors' expenses associated with maintaining an investment in the funds. You will not incur additional costs as a result of these arrangements. Please see Items 5, 10, 11, and 14 of the Brochure for information about conflicts associated with investing in affiliated funds.

Examples of other conflicts include personal trading by QS Investors employees of securities bought and sold in your account and QS Investors maintaining both long and short positions in the same security in different accounts. Please see Items 6, 10, 11, and 12 of the Brochure for additional information about conflicts faced by QS Investors and corresponding controls designed to address these conflicts.

Consider asking your financial professional:

- How might your conflicts of interest affect me, and how will you address them?

How do your financial professionals make money?

QS Investors employees receive a base salary and a discretionary bonus based on their individual performance and the performance of the Firm. Employees are not compensated based on sales or referrals.

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

Yes. Please see Item 11 of QS Investors' Form ADV Part 1 for information regarding a matter involving our former parent company, Legg Mason; QS Investors was not involved in this matter. You may visit Investor.gov/CRS for a free and simple search tool to research QS Investors and its employees.

Consider asking your financial professional:

- As a financial professional, do you have any disciplinary history? For what type of conduct?

Additional Information

You can find additional information about QS Investors, including a copy of the Brochure, on the SEC's website at adviserinfo.sec.gov. You may call us at (212) 886-9200 to request up-to-date information or a copy of the Brochure and/or CRS.

Consider asking your financial professional:

- 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?

Document II

Legg Mason Private Portfolio Group, LLC

Form ADV Part 2A Disclosure Brochure (June 24, 2021)

LEGG MASON PRIVATE PORTFOLIO GROUP, LLC

Form ADV Disclosure Brochure

June 24, 2021

Legg Mason Private Portfolio Group, LLC
620 8th Avenue
New York, NY 10018
(212) 805-2000

This brochure is a Form ADV disclosure document of Legg Mason Private Portfolio Group, LLC (“LMPPG”).

This brochure is for clients that select, or are considering selecting, investment management portfolios that LMPPG makes available in investment programs sponsored by certain unaffiliated financial firms (“Sponsor Firms”) and for which one of the following affiliated subadvisers (“Subadvisers”) serves as subadviser:

ClearBridge RARE Infrastructure (North America) Pty Limited (“ClearBridge RARE”)
Martin Currie Inc. (“Martin Currie”)
QS Investors, LLC (“QS Investors”)*
Royce & Associates, LP (“Royce”)**

* QS Investors will be merged with and into Franklin Advisers, Inc. (“FAV”) on or about August 7, 2021 and going forward, all investment strategies and services previously offered and provided by QS Investors will be offered and provided by FAV, which will be described in FAV’s Form ADV, Part 2A Disclosure Brochure.

**Royce primarily conducts business using the name “Royce Investment Partners.”

This brochure provides information about the qualifications and business practices of LMPPG. Information concerning investment management portfolios that LMPPG, together with a Subadviser, makes available in investment programs sponsored by Sponsor Firms, as well as information concerning the qualifications and business practices of such Subadviser, is contained in such Subadviser’s separate Form ADV disclosure document. LMPPG and the Subadvisers are wholly-owned subsidiaries of Legg Mason, Inc. (“Legg Mason”), which was acquired by Franklin Resources, Inc. (“Franklin Resources”) in a transaction that closed on July 31, 2020.

This brochure provides information about the qualifications and business practices of Legg Mason Private Portfolio Group, LLC. If you have questions about the contents of this brochure, please contact us at (212) 805-2000. The information in this brochure has not been approved or verified by the U.S. Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Legg Mason Private Portfolio Group, LLC is available on the SEC’s website at www.adviserinfo.sec.gov. Investment adviser registration does not imply a certain level of skill or training.

Item 2

MATERIAL CHANGES

While there are no material changes to report, the following is a summary of the updates, enhancements and clarifications that have been made to the brochure since the June 25, 2020 version of the brochure:

- In Item 5.A, Item 7.B, Item 8.A and Appendix B1, the brochure reflects the addition of Royce Concentrated Value SMA as an available investment portfolio.
- Item 7.B of the brochure also reflects changes in investment minimums for Martin Currie investment portfolios.

Item 3

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Appendix A – PRIVACY NOTICE

**Appendix B1 – COMPENSATION DISCLOSURE STATEMENT FOR ERISA PLANS
(LMPPG-Implemented Programs and Discretionary Model Programs)**

**Appendix B2 – COMPENSATION DISCLOSURE STATEMENT FOR ERISA PLANS
(Dual-Contract Programs)**

Item 4

ADVISORY BUSINESS

A. Ownership Structure

Legg Mason, the parent company of LMPPG, ClearBridge RARE, Martin Currie, QS Investors and Royce, was acquired by Franklin Resources, a publicly traded company, in a transaction that closed on July 31, 2020. In the transaction, Franklin Resources purchased 100% of the outstanding equity of Legg Mason and, as a result, indirectly acquired 100% of Legg Mason's ownership interest in LMPPG, ClearBridge RARE, Martin Currie, QS Investors and Royce. LMPPG, ClearBridge RARE, Martin Currie, QS Investors and Royce continue to operate as separate legal entities as part of the Franklin Resources organization and to provide discretionary and non-discretionary investment management and advisory services to clients, as described in this Brochure.

B. LMPPG

Firm Description. LMPPG has provided separate account investment advisory services since April 2007. Before April 2007, the business now conducted by LMPPG was conducted by certain other Legg Mason subsidiaries and, prior to December 2005, by certain Citigroup Inc. affiliates. LMPPG, Legg Mason and Franklin Resources are not affiliated with Citigroup Inc.

Types of Advisory Services. LMPPG, together with the Subadvisers, provides investment advisory services primarily in investment programs sponsored by Sponsor Firms. The investment advisory services LMPPG and the Subadvisers provide differ depending on the type of Sponsor Firm investment program in which a client participates.

- **LMPPG-Implemented Programs.** In these programs, LMPPG has investment discretion and responsibility for applying Subadviser investment advice to client accounts. LMPPG delegates its investment discretion to the Subadviser(s) for the investment management portfolio selected for the client's account. LMPPG may also delegate its responsibility to apply investment advice to client accounts to such Subadviser(s).
- **Discretionary Model Programs.** In these programs, LMPPG has investment discretion, which it delegates to the applicable Subadviser(s), but not responsibility for applying investment advice to client accounts. LMPPG forwards Subadviser investment advice to the Sponsor Firm, which agrees to apply the advice to client accounts.
- **Non-Discretionary Model Programs.** In these programs, LMPPG forwards Subadviser investment advice to the Sponsor Firm, which exercises discretion over client accounts and decides whether to apply this investment advice to client accounts. LMPPG does not have investment discretion or responsibility for applying investment advice to the Sponsor Firm's client accounts, and does not have an investment advisory relationship with clients in these programs.

In all types of programs, Subadviser investment advice is consistent with the selected investment management portfolio.

LMPPG Assets Under Management. As of March 31, 2021, LMPPG managed:

- approximately \$70,680,900,000* in assets on a discretionary basis, and
- approximately \$39,587,200,000* in assets on a non-discretionary basis.

Assets managed on a discretionary basis are client assets for which LMPPG provides investment advisory services in LMPPG-Implemented Programs and Discretionary Model Programs. Assets managed on a non-discretionary basis are client assets for which LMPPG provides investment advisory services in Non-Discretionary Model Programs.

* These numbers are rounded to the nearest 100,000.

C. Subadvisers

In the case of a Sub-Adviser, please refer to such Subadviser's Form ADV disclosure document for a description of such Subadviser's advisory business.

D. Wrap Fee Programs

Certain Sponsor Firm investment programs for which LMPPG and the Subadvisers provide investment advisory services are wrap fee programs in which LMPPG receives (from the Sponsor Firm) a portion of the wrap fees clients pay to the Sponsor Firm. LMPPG typically pays all or part of the compensation it receives to the Subadvisers as compensation for the investment advisory services they provide for the program. For additional information on LMPPG and Subadviser compensation, see Item 5 in this brochure.

The investment advisory services the Subadvisers provide in Sponsor Firm investment programs, including wrap fee and non-wrap fee programs, generally differ from the investment advisory services the Subadvisers provide to clients outside such programs in one or more of the following ways:

1. The Subadvisers' investment advisory services for clients in Sponsor Firm investment programs generally involve investments only in publicly-traded equity securities, fixed income securities, and/or cash equivalents, while their investment advisory services for other clients may involve additional strategies and investments, such as short selling, privately-offered securities and derivatives (e.g., options, futures, currency forward contracts and swaps).
2. A Subadviser's investment advisory service for clients in Sponsor Firm investment programs generally do not involve investments in initial or secondary offerings of equity securities because, as a practical matter, it is unlikely LMPPG would be able to obtain allocations in such offerings for LMPPG-Implemented Program clients (a Subadviser may invest assets of its non-LMPPG clients in such offerings);
3. The Subadvisers' investment advisory services for clients outside of Sponsor Firm investment programs may involve different investment strategies or investments in a larger or smaller number of securities than the Subadvisers include in the investment management portfolios they provide to clients in Sponsor Firm investment programs.
4. For separately managed accounts outside of Sponsor Firm investment programs, the Subadvisers may be able to tailor the investment advisory services they provide more closely to client needs and preferences, as reflected in client investment guidelines and client restrictions.
5. A Subadviser may provide regular reports to clients outside of Sponsor Firm investment programs. As described in Item 13 below, LMPPG and the Subadvisers typically do not provide such reports to clients in Sponsor Firm investment programs.

A Subadviser may make available certain of its investment strategies and investment advisory services only (i) in a closed or open end fund or other commingled investment vehicle, and/or (ii) to clients that meet the Subadviser's requirements for entering into an investment advisory agreement directly with the Subadviser (including, potentially, minimum investment and client qualification requirements).

E. Individual Client Needs

In addition to providing investment management portfolios that reflect a wide range of investment strategies, LMPPG and the Subadvisers may tailor the investment services they provide more closely to the individual needs of clients as described below.

Client Restrictions. For client accounts in LMPPG-Implemented Programs, LMPPG accepts client-imposed restrictions on management if LMPPG and the applicable Subadviser, in their discretion, determine that the proposed restriction is reasonably practical as an investment and operational matter.

Subject to this standard, clients in LMPPG-Implemented Programs may impose restrictions on investments in specific securities (e.g., stock of Company ABC) or on investments in certain categories of securities (e.g., tobacco company stocks). Where a client restricts investment in a category of securities, LMPPG and the applicable Subadviser determine in their discretion the specific securities in the restricted category. LMPPG relies on the client's Sponsor Firm to notify LMPPG of any restrictions desired by clients.

In LMPPG-Implemented Programs, LMPPG applies client account restrictions it accepts only at the time of purchase, and does not apply these restrictions to securities transferred into the account, securities already held in the account at the time the restriction is imposed, securities that first come within a restriction following purchase of such securities, and securities acquired as a result of corporate actions (e.g., stock splits, stock dividends).

Directed Sales and Temporary ETF Investments. A client in a LMPPG-Implemented Program may direct LMPPG to sell particular securities or types of securities held in the client's account by contacting his or her Sponsor Firm. LMPPG seeks to begin implementing sell directions no later than the close of business on the business day after LMPPG receives the direction in proper form from the client's Sponsor Firm (LMPPG determines what constitutes proper form). LMPPG generally does not implement sell directions immediately upon receipt. As a result, the proceeds from a directed sale may be more or less than the client would have received had LMPPG implemented the sell direction immediately.

In connection with a client-directed sale of securities, LMPPG in its sole discretion may accept and implement a client direction to temporarily invest the sale proceeds in an exchange-traded fund ("ETF"). Such directions involve an increased risk of loss (or missed gains) to the client relative to client accounts for which such directions are not given. Neither LMPPG nor any of its affiliates, including the Subadvisers, will have any responsibility for the suitability or performance of any client-directed ETF investments. LMPPG will be responsible only for implementing any directions it accepts to make such investments, subject to any account-, security- or tax lot-level realized loss or gain minimums LMPPG establishes from time to time.

ETFs are exchange-traded funds that typically represent U.S. securities markets, industry and market capitalization sectors, non-U.S. country and regional markets, and other types of non-U.S. securities markets and market sectors (e.g., emerging markets). ETFs generally are subject to the same investment risks associated with the underlying securities they represent. Also, in addition to fees charged at the account level, a client will bear a proportionate share of the separate fees and expenses incurred by any ETF held in the client's account.

Item 5

FEES AND COMPENSATION

A. Compensation of LMPPG and the Subadvisers

How LMPPG is compensated for the services LMPPG and the Subadvisers provide in an investment program depends on whether the program is a Single-Contract Program or a Dual-Contract Program.

In Single-Contract Programs and Dual-Contract Programs, LMPPG pays the Subadvisers all or a portion of the fees LMPPG receives as compensation for the Subadvisers' services.

LMPPG Compensation in Single-Contract Programs. In a Single-Contract Program, the client does not enter into an agreement directly with LMPPG. Instead, the client enters into an agreement with the client's Sponsor Firm that covers investment advisory services LMPPG and one or more Subadvisers provide and also certain investment services the Sponsor Firm provides. The client pays the Sponsor Firm fees for all the services under such agreement. The Sponsor Firm, in turn, compensates LMPPG for the investment advisory services LMPPG and the applicable Subadviser(s) provide.

The fees agreed to by LMPPG and a Sponsor Firm under a Single-Contract Program are dependent upon a variety of factors, including without limitation the size of the program, the portfolio selected by the client, Sponsor Firm administrative requirements and administrative charges, Sponsor Firm parameters for compensation of participating managers or advisers, and the nature and extent of the responsibilities of and services provided by each of the Sponsor Firm and LMPPG and its Subadvisers under the program. Based on such factors, LMPPG and or Sponsor Firm may agree to a fee rate under a particular Single-Contract Program that is different from the fee rate or outside of the fee range indicated below. A Sponsor Firm and LMPPG may agree to a fee rate with respect to a particular account under a Single-Contract Program that is lower than the standard fee rate at which LMPPG is compensated by the Sponsor Firm under such Single-Contract Program. Such fee concessions are very unusual and agreed to by LMPPG only in special circumstances, e.g. in the case of accounts with unusually large asset levels. In addition, a Sponsor Firm and LMPPG may agree to a fee rate with respect to a particular account under a Single-Contract Program that is higher than the fee rate at which LMPPG is compensated under such Single-Contract Program based on such account's unique servicing needs and compliance requirements. The fees paid to LMPPG in LMPPG-Implemented Programs, where LMPPG is responsible for providing full discretionary portfolio management, implementation and trade placement services with respect to client accounts, may be higher than the fees paid to LMPPG in Discretionary Model Programs, where LMPPG and its Subadvisers have investment discretion but the Sponsor Firm is responsible for applying Subadviser investment advice forwarded to it by LMPPG to client accounts, and Non-Discretionary Model Programs, where the Sponsor Firm has investment discretion and decides whether to apply Subadviser investment advice, in whole or in part, forwarded to it by LMPPG to client accounts.

- In the case of **LMPPG-Implemented Programs**, LMPPG generally receives, or anticipates receiving, fees from the Program Sponsor at the following rates or within the following ranges depending upon the portfolio selected by the client:

Investment Management Portfolio	Fee Rates or Ranges
ClearBridge RARE <ul style="list-style-type: none">• ClearBridge Global Infrastructure Income	0.42% - 0.45%
Martin Currie <ul style="list-style-type: none">• Emerging Market Equities• Global Equity Income• International Unconstrained Equities*	0.50% - 0.60% 0.35% - 0.37% 0.43% - 0.45%
QS Investors <ul style="list-style-type: none">• Multi-Asset Class• QS Low Volatility High Dividend Equity	0.00% - 0.40% 0.20% - 0.40%
Royce <ul style="list-style-type: none">• Royce Premier• Royce Small Cap Income• Royce SMID Dividend Value• Royce Concentrated Value SMA	0.45% 0.45% 0.38% 0.45%

* On or about September 30, 2021, the strategy name will be changed to International Sustainable Equity.

- In the case of **Discretionary Model Programs**, LMPPG generally receives, or anticipates receiving, fees from the Program Sponsor at the following rates or within the following ranges depending upon the portfolio selected by the client:

Investment Management Portfolio	Fee Rates or Ranges
ClearBridge RARE <ul style="list-style-type: none"> ClearBridge Global Infrastructure Income 	0.30% - 0.32%
Martin Currie <ul style="list-style-type: none"> Emerging Market Equities Global Equity Income International Unconstrained Equities* 	0.50% 0.25% - 0.27% 0.33% - 0.35%
QS Investors <ul style="list-style-type: none"> Multi-Asset Class QS Low Volatility High Dividend Equity 	0.00% - 0.40% 0.20% - 0.40%
Royce <ul style="list-style-type: none"> Royce Premier Royce Small Cap Income Royce SMID Dividend Value Royce Concentrated Value SMA 	0.42% - 0.45% 0.42% - 0.45% 0.35% 0.42% - 0.45%

* On or about September 30, 2021, the strategy name will be changed to International Sustainable Equity.

- In the case of **Non-Discretionary Model Programs**, LMPPG generally receives, or anticipates receiving, fees from the Program Sponsor at the following rates or within the following ranges or at the following rates depending upon the portfolio selected by the client:

Investment Management Portfolio	Fee Rates or Ranges
ClearBridge RARE <ul style="list-style-type: none"> ClearBridge Global Infrastructure Income 	0.30% - 0.32%
Martin Currie <ul style="list-style-type: none"> Emerging Market Equities Global Equity Income International Unconstrained Equities* 	0.50% 0.25% - 0.27% 0.33% - 0.35%
QS Investors <ul style="list-style-type: none"> Multi-Asset Class QS Low Volatility High Dividend Equity 	0.00% - 0.40% 0.20% - 0.40%
Royce <ul style="list-style-type: none"> Royce Premier Royce Small Cap Income Royce SMID Dividend Value Royce Concentrated Value SMA 	0.42% - 0.45% 0.42% - 0.45% 0.35% 0.42% - 0.45%

* On or about September 30, 2021, the strategy name will be changed to International Sustainable Equity.

Please refer to QS Investors' Form ADV Part 2A Brochure for more information concerning the fees and fee ranges applicable to particular QS Investors Multi-Asset Class portfolios.

Each QS Investors Multi-Asset Class portfolio invests all or a portion of its assets in mutual funds, ETFs and/or separately managed account ("SMA") portfolios that are managed or advised by Legg Mason affiliates, including QS and/or other Legg Mason investment advisory affiliates, and that pay fees or other compensation to such Legg Mason affiliates. Please refer to QS Investors' Form ADV Part 2A Brochure for more information. Such fund-related compensation will not be credited against or offset the advisory fee agreed to by LMPPG and the Sponsor Firm unless such crediting or offset is required by contract or applicable law. In cases where LMPPG receives no advisory fee or a relatively small advisory fee from a Sponsor Firm for a Multi-Asset Class portfolio due to the fund-related compensation that Legg Mason affiliates will receive in connection with such portfolios, QS Investors will provide compensation out of its general resources to LMPPG for its services at a rate agreed to by QS Investors and LMPPG.

For Single-Contract Program client fee information, clients should refer to their Sponsor Firm’s Form ADV disclosure document or contact their Sponsor Firm representative.

LMPPG Compensation in Dual-Contract Programs. In a Dual-Contract Program, the client enters into an investment management agreement directly with LMPPG and a separate agreement with the client’s Sponsor Firm. The client pays an investment management fee directly to LMPPG as compensation for the investment advisory services LMPPG and the applicable Subadviser(s) provide. LMPPG’s standard fee schedules for Dual-Contract Programs are set forth below in this Item 5. The client typically pays a separate fee to the Sponsor Firm for services the Sponsor Firm provides pursuant to its separate agreement with the client. LMPPG may receive higher compensation in Dual-Contract Programs than in Single-Contract Programs.

LMPPG Standard Fee Rates for Dual-Contract Programs. For Dual-Contract Programs, LMPPG’s standard fee rates are set forth below.

Investment Management Portfolio	Fee Rates
ClearBridge RARE <ul style="list-style-type: none"> • ClearBridge Global Infrastructure Income 	0.50%
Martin Currie <ul style="list-style-type: none"> • Emerging Market Equities • Global Equity Income • International Unconstrained Equities* 	0.60% 0.50% 0.50%
QS Investors <ul style="list-style-type: none"> • Multi-Asset Class • QS Low Volatility High Dividend Equity 	0.00% - 0.40% 0.50%
Royce <ul style="list-style-type: none"> • Royce Premier • Royce Small Cap Income • Royce SMID Dividend Value • Royce Concentrated Value SMA 	0.50% 0.50% 0.50% 0.50%

* On or about September 30, 2021, the strategy name will be changed to International Sustainable Equity.

Please refer to QS Investors’ Form ADV Part 2A Brochure for more information concerning the fees and fee ranges applicable to particular QS Investors Multi-Asset Class portfolios.

Each QS Investors Multi-Asset Class portfolio invests all or a portion of its assets in mutual funds, ETFs and/or SMA portfolios that are managed or advised by Legg Mason affiliates, including QS and/or other Legg Mason investment advisory affiliates, and that pay fees or other compensation to such Legg Mason affiliates. Please refer to QS Investors’ Form ADV Part 2A Brochure for more information. Such fund-related compensation will not be credited against or offset the advisory fee agreed to by LMPPG and the client unless such crediting or offset is required by contract or applicable law. In cases where LMPPG receives no advisory fee or a very small advisory fee from a Sponsor Firm for a Multi-Asset Class portfolio due to the fund-related compensation that Legg Mason affiliates will receive in connection with such portfolios, QS Investors will provide compensation out of its general resources to LMPPG for its services at a rate agreed to by QS Investors and LMPPG.

LMPPG generally considers client requests to negotiate investment management fee rates lower than the above fee rates. However, LMPPG in its sole discretion may refuse to agree to lower fee rates for any one or more clients. In addition, LMPPG may establish fee rates that are lower than the above fee rates for certain accounts in a particular Dual-Contract Program, based on expectations as to future aggregate asset levels from clients of one or more particular Sponsor Firm representatives.

LMPPG may establish fee rates that are higher than the above fee rates for accounts that have unique servicing needs or compliance requirements. In addition, LMPPG may establish fee rates that are different from the above fee rates for accounts in a particular Dual-Contract Program due to Sponsor Firm operational constraints, such as an inability to calculate and process fees under a tiered fee schedule.

For client accounts in Dual-Contract Programs, LMPPG typically charges its investment management fee quarterly in advance. Following one of the approaches set forth below, the client's Sponsor Firm typically deducts LMPPG's fee from the client's account and forwards the fee to LMPPG:

1. The Sponsor Firm calculates LMPPG's fee based on the client's agreed LMPPG fee rate and the value of the client account assets; or
2. The Sponsor Firm relies on LMPPG's calculation of LMPPG's fee based on the client's agreed LMPPG fee rate and the value of the client account assets, as set forth in fee invoices LMPPG sends to the Sponsor Firm.

Under both approaches, LMPPG's fees typically are calculated in accordance with procedures, including those applicable to account additions and withdrawals, established by the client's Sponsor Firm so that LMPPG's fee is calculated following a methodology that is similar to that used in calculating the Sponsor Firm's fee. For any one or more client accounts in a Dual-Contract Program, LMPPG may in its sole discretion agree to bill the client directly for its investment management fee instead of having the client's Sponsor Firm follow one of the above fee-deduction approaches. In addition, LMPPG may in its sole discretion agree to charge its fee in arrears (instead of in advance) or more or less frequently than quarterly.

LMPPG Fee Refunds in Dual-Contract Programs. If LMPPG's management of a client's Dual-Contract Program account is terminated during a period for which the client pre-paid LMPPG's investment management fee, LMPPG will calculate the appropriate refund amount and send this amount to the client's Sponsor Firm for forwarding to the client or deposit into an account the client maintains at the Sponsor Firm. LMPPG calculates refunds in these circumstances by:

1. dividing the number of days left (after termination) in the period for which the client paid the fee by the total number of days in the period; and
2. multiplying the result by the dollar amount of the pre-paid fee.

LMPPG sends termination-related fee refunds to Sponsor Firms on a quarterly basis. Accordingly, there may be a delay of up to approximately ninety days between the time LMPPG's management of a Dual-Contract Program account is terminated and the time LMPPG sends the related fee refund to the client's Sponsor Firm.

B. Other Fees and Expenses

In addition to the investment management fees LMPPG receives for the investment advisory services LMPPG and the Subadvisers provide, a client generally will incur brokerage and trade execution costs for securities transactions LMPPG and the Subadvisers recommend or effect for the client's account. These costs generally are imposed by the broker-dealer firms used to execute such transactions. For securities transactions executed by the client's Sponsor Firm or by a broker-dealer the Sponsor Firm designates, these costs often are included in the fee the client pays to the client's Sponsor Firm (in both Single-Contract Programs and Dual-Contract Programs). For securities transactions executed by another broker-dealer firm, these costs are in addition to fees the client pays to the client's Sponsor Firm. For more information on brokerage and transaction costs in investment programs for which LMPPG or a Subadviser selects broker-dealers to execute securities transactions for client accounts, clients should refer to Item 12 of this brochure.

A client may also incur any one or more of the costs listed below. The costs described in items 1, 2 and 3 below, as well as the costs of trade execution by a client's Sponsor Firm or designated broker-dealer (see above), typically are covered by the fees clients pay to their Sponsor Firms.

1. Fees for account custody services and related services such as security transfers and wire transfers.
2. Fees for investment advisory services a Sponsor Firm or other person or firm (other than LMPPG or a Subadviser) provides to the client. These may include services such as evaluation, recommendation and monitoring of investment managers, financial planning services and asset allocation advice.
3. Fees for account reporting by the client's Sponsor Firm – for example, preparation of periodic account statements.
4. Any SEC fees, transfer taxes or other governmental charges based on securities transactions.

5. Conversion and foreign exchange fees and charges associated with purchases and sales of American Depositary Receipts (“ADRs”) in non-U.S. markets for ordinary shares underlying the ADRs. See Item 12 of this brochure for more information.
6. Ongoing custody or service fees charged by ADR depository banks for inventorying the underlying non-U.S. shares and performing related administrative services.
7. Internal fees and expenses of any mutual fund or ETF purchased or held for the client’s account, as part of the investment management portfolio the client selects or at the client’s direction. Mutual fund and ETF prospectuses, which should be available from Sponsor Firms, include descriptions of these fees and expenses.

Clients should contact their Sponsor Firms and any other service providers for information on the costs associated with the services these firms provide, including the potential costs noted in items 1 – 4 above. The compensation LMPPG and the Subadvisers receive does not cover any of the potential costs noted in items 1 –7 above.

Item 6

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

A. Performance-Based Fees and Side-by-Side Management

Performance-based fees are investment advisory fees that are based on a share of capital gains on, or capital appreciation of, client assets. Performance-based fees do not include fees that are based merely on a percentage of client account assets managed or advised.

LMPPG does not charge performance-based fees, but instead charges fees based on the amount of client account assets for which LMPPG, together with one or more of the Subadvisers, provides investment advisory services. The Sub-Advisers also do not charge performance-based fees for LMPPG client accounts. See Item 5 of this brochure for LMPPG/Subadviser fee information applicable to LMPPG client accounts.

Each of the Sub-Advisers may charge performance-based fees for certain client accounts that do not access its investment advisory services through LMPPG – i.e., non-LMPPG client accounts. These performance-based fees typically are based on account performance relative to a benchmark index agreed on by the Subadviser and the client.

Each of the Sub-Advisers, including any of its portfolio management teams, may simultaneously manage or otherwise provide investment advice for non-LMPPG client accounts that are subject to performance-based fees and LMPPG client accounts that are not subject to performance-based fees. As noted in Section B below, management of non-LMPPG client accounts, including those subject to performance-based fees, may differ from the management of LMPPG client accounts based on the particular needs and circumstances of client accounts. Side-by-side management involves a potential conflict of interest to the extent that a Subadviser determines to purchase or sell the same securities for both non-LMPPG client accounts and LMPPG client accounts. It may give the Sub-Adviser and the applicable portfolio management team an incentive to maximize the Subadviser's fee compensation by favoring the non-LMPPG client accounts subject to performance-based fees in order to maximize its fee revenues.

Please refer to Item 6 of a Subadviser's Form ADV disclosure document for information concerning whether such Subadviser charges performance-based fees for non-LMPPG accounts and how such Subadviser addresses the potential conflict of interest associated with side-by-side management.

B. Additional Side-by-Side Management Information

A Subadviser's portfolio manager may determine, in light of a client account's available cash, investment objectives, restrictions, permitted investment techniques and other relevant considerations, that an investment opportunity is appropriate for only some of the client accounts under their management or that they should take differing positions with respect to a particular security on behalf of certain client accounts.

Each Subadviser may give advice and take action in the performance of its duties to clients which differs from advice given, and/or the timing and nature of action taken, with respect to other clients' accounts. The timing and nature of action taken for one or more client accounts may positively or negatively impact one or more other client accounts. For example, the value of a security held in client accounts may be positively affected by purchases, and negatively affected by sales, of the same security for other client accounts.

Please refer to Item 6 of a Subadviser's Form ADV disclosure document for additional information concerning side-by-side management.

Item 7

TYPES OF CLIENTS

A. Clients

LMPPG, together with the Subadvisers, provides investment advisory services for a wide range of clients in Sponsor Firm investment programs, including individuals, pension and profit sharing plans, endowments, foundations, unions and state and local governmental entities. Sponsor Firms, which include broker-dealer firms, banks and investment advisory firms, are another type of client to which LMPPG and the Subadvisers may provide investment advisory services (for use by such Sponsor Firms or their designees in managing accounts on behalf of clients of such Sponsor Firms).

B. Investment Minimums

For new client accounts, LMPPG generally imposes the investment minimums listed below. LMPPG, in its sole discretion and in consultation with the applicable Subadvisers, may waive any one or more of these minimums for any one or more client accounts. In addition, for certain investment programs, LMPPG and a Sponsor Firm may establish investment minimums for particular investment management portfolios that are higher or lower than those indicated below. LMPPG, in its sole discretion and in consultation with the applicable Subadvisers, may freeze management of a client account in the event that the value of such account falls below the applicable investment minimum for the selected investment management portfolio. QS Investors Multi-Asset Class portfolios with allocations to SMA portfolios may have significantly higher investment minimums than that indicated below.

Investment Management Portfolio	Investment Minimum
ClearBridge RARE <ul style="list-style-type: none">• ClearBridge Global Infrastructure Income	\$50,000
Martin Currie <ul style="list-style-type: none">• Emerging Market Equities• Global Equity Income• International Unconstrained Equities*	\$50,000 \$50,000 \$50,000
QS Investors <ul style="list-style-type: none">• Multi-Asset Class• QS Low Volatility High Dividend Equity	\$25,000 \$50,000
Royce <ul style="list-style-type: none">• Royce Premier• Royce Small Cap Income• Royce SMID Dividend Value• Royce Concentrated Value SMA	\$50,000 \$50,000 \$50,000 \$50,000

* On or about September 30, 2021, the strategy name will be changed to International Sustainable Equity.

Item 8

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

LMPPG and the Subadvisers make available the investment strategies listed below in Section A of this item 8. Such investment strategies are referred to in this brochure as “investment management portfolios” or “portfolios.” Please refer to Item 8 of a Subadviser’s Form ADV disclosure document for a description of the portfolios for which such Subadviser provides investment subadvisory services and such Subadviser’s methods of investment analysis.

Each investment management portfolio involves risk of loss, which clients should be prepared to bear. Please refer to Item 8 of a Subadviser’s Form ADV disclosure document for a description of the main risks for the portfolios for which such Subadviser provides investment subadvisory services. For all portfolios, there is no assurance or guarantee that client investment objectives will be met.

A. Investment Management Portfolios

The investment management portfolios LMPPG and the Sub-Advisers may make available in Sponsor Firm investment programs include the portfolios listed below. Clients should check with their Sponsor Firm representatives for portfolio availability. Also, as indicated below, certain portfolios may be referred to by different names at particular Sponsor Firms.

Portfolios for which ClearBridge RARE, Martin Currie, QS Investors and Royce provide investment subadvisory services to LMPPG include the following portfolios:

- **ClearBridge RARE**
 - ClearBridge Global Infrastructure Income
- **Martin Currie**
 - Emerging Market Equities
 - Global Equity Income
 - International Unconstrained Equities, which will change its name to International Sustainable Equity on or about September 30, 2021.
- **QS Investors**
 - Multi-Asset Class
 - QS Low Volatility High Dividend Equity
- **Royce**
 - Royce Premier
 - Royce Small Cap Income
 - Royce SMID Dividend Value
 - Royce Concentrated Value SMA

One or more of the Subadvisers makes investment decisions or (where another firm has investment discretion) recommendations for each portfolio.

- ClearBridge RARE makes investment decisions and recommendations for portfolios that are branded “ClearBridge”.

- Martin Currie makes investment decisions and recommendations for portfolios that are branded “Martin Currie”.
- QS Investors makes investment decisions and recommendation for Multi-Asset Class portfolios (which may be branded as “Legg Mason” portfolios) and portfolios that are branded “QS Investors”. Please refer to Item 8 of QS Investors’ Form ADV disclosure document for a list of available Multi-Asset Class portfolios and a description of such portfolios.
- Royce makes investment decisions and recommendations for portfolios that are branded “Royce”.

Working with a Sponsor Firm representative, the client typically determines his or her investment strategy based on personal circumstances and objectives and selects one or more investment management portfolios. Clients are responsible for asset allocation decisions when selecting portfolios. Unless otherwise noted in the description of a portfolio in Item 8 of a Sub-Adviser’s Form ADV disclosure document, LMPPG and the Subadvisers do not provide asset allocation advice.

B. Certain Additional Information

Cash Balances. Significant cash balances may exist in client accounts from time to time, including when a Subadviser instructs or determines that account contributions and sales proceeds to be invested gradually. LMPPG and the Subadvisers do not determine the short-term investments in which cash balances are invested and are not responsible for the suitability or performance of such investments. Such short-term investments are commonly referred to as “cash sweeps” or “sweep vehicles” and are selected by the Sponsor Firm and/or the Sponsor Firm’s client without the involvement of LMPPG or the Subadvisers. Under a very limited number of programs, the Sponsor Firm has established the operational capability to allow LMPPG and the Subadvisers to invest, in their discretion, a portion of the cash balances in client accounts in one or more money market funds designated by the Sponsor Firm as an alternative to having all available cash balances invested in such account’s cash sweep or sweep vehicle. A description of a money market fund’s investment objectives, strategies, fees and expenses, and risks is included in the fund’s prospectus, which may be obtained from the client’s Sponsor Firm. A money market fund’s fees and expenses are in addition to, and will not reduce, the fees charged by your Sponsor Firm for your managed account or the fees received by LMPPG with respect to such account. Money market funds designated by the Sponsor Firm in many cases will be funds that are managed by the Sponsor Firm or an affiliate. If an account’s assets are invested in a money market fund managed by the Sponsor Firm or an affiliate, the Sponsor Firm or its affiliate will earn incremental revenue as a result of such investment.

Client Contributions of Securities. If a client contributes securities to the client’s account and they are not included in the selected investment management portfolio, LMPPG or the other firm responsible for applying Subadviser investment decisions or recommendations to the account may sell such securities. Sales of contributed securities may result in taxable gains or losses. Also, investment of sales proceeds in accordance with the selected portfolio may not be immediate. Accounts funded in whole or in part with securities may perform differently and have different holdings and weightings than accounts funded solely with cash equivalents.

Account Uniformity and Certain Potential Differences. There may be a substantial degree of uniformity among client accounts (of either LMPPG or a Sponsor Firm) in LMPPG-Implemented Programs, Discretionary Model Programs and Non-Discretionary Model Programs that select the same investment management portfolio. However, many factors may cause differences in the composition and performance of such client accounts, including:

- Date of account inception
- Levels and timing of client-initiated activity, such as account contributions and withdrawals
- Client-imposed restrictions
- Investment limits (see below)
- A Subadviser’s approach to model portfolio maintenance and adjustment (see below)

- A Subadviser’s and LMPPG’s approach to adjusting or rebalancing account positions in response to market movements (see below)
- The relative outperformance or underperformance of individual portfolio holdings
- Differing portfolio composition requirements and implementation approaches of implementing firms in Discretionary Model Programs and Non-Discretionary Model Programs (see below)
- Differences in the timing of trade executions and prices obtained by LMPPG on behalf of clients in LMPPG-Implemented Programs relative to the timing of trade executions and prices obtained by an implementing firm on behalf of clients in Discretionary Model Programs and Non-Discretionary Model Programs

Certain regulatory or other limits on the amount a Subadviser (alone or together with its affiliates) may invest in a company may cause the composition and performance of client accounts for which the same portfolio is selected to vary from one another more than they otherwise might. For portfolios that involve investments in more volatile securities, these limits may cause even greater performance differences.

In the case of certain investment management portfolios, a Subadviser, may utilize a “static” model approach in maintaining and adjusting the model portfolio that it furnishes to LMPPG in LMPPG-Implemented Programs. Under such approach, the model portfolio’s percentage weightings to individual portfolio holdings are not continually adjusted to reflect the relative market performance of such holdings. Accordingly, a new account’s percentage weightings to portfolio holdings typically will differ from the percentage weightings in previously established accounts in the same strategy. In addition, in the case of certain investment management portfolios, client accounts may not be regularly adjusted or rebalanced in response to the relative underperformance or outperformance of such names over time. This will cause differences in portfolio weightings across client accounts over longer periods than in the case of strategies that adjust or rebalance client accounts more frequently. Differences in portfolio weightings across client accounts, combined with the relative outperformance or underperformance of individual portfolio holdings, will cause client accounts in the same investment management portfolio to experience differing performance over time.

For Discretionary Model Programs and Non-Discretionary Model Programs, the Sponsor Firm or another firm it selects (not LMPPG or a Subadviser) applies Subadviser investment decisions or recommendations to client accounts. Such a firm may impose model composition requirements, or follow implementation practices, that result in client accounts in these programs having different holdings and performing differently than LMPPG-Implemented Program client accounts for which the same investment management portfolio is selected.

Transfers to New Investment Programs—Potential Account Adjustments. If a client transfers an account from one investment program to another and selects the same investment management portfolio, LMPPG or the other firm responsible for implementing Subadviser investment decisions or recommendations for the new program may adjust the account’s holdings. This may result in the realization of capital gains or losses that would not have occurred if the client had not transferred the account. Account adjustments in this situation may result from LMPPG or the other implementing firm treating the transferred account as a new account in the new program, different model composition requirements or implementation practices in the old and new programs, or other factors.

Margin Loans. A Sponsor Firm may permit a client to take out a loan secured by assets in the client’s account. Such loans are referred to as “margin loans.” Clients should understand that, if they obtain margin loans secured by assets in their accounts, the Sponsor Firm generally will be able to liquidate all or part of the account at any time to repay any portion of the loan, even if the timing of the liquidation is disadvantageous to the client and disrupts management of the account in accordance with the selected investment management portfolio. Neither LMPPG nor any Subadviser has any responsibility for (i) a client’s decision to take out a margin loan, (ii) the terms of any margin or related agreement to which a client is a party, or (iii) the sale, liquidation, or disposition of securities in the client’s account in order to satisfy the client’s obligations under such an agreement.

Item 9

DISCIPLINARY INFORMATION

There are no reportable legal or disciplinary events for LMPPG.

Item 10

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

A. Certain Arrangements and Relationships with Affiliates

In addition to the subadvisory arrangements between LMPPG and each Subadviser described in this brochure, LMPPG has the following business arrangements and relationships with affiliates that clients may wish to consider.

Other Affiliated Subadvisers. LMPPG has entered into arrangements with each of ClearBridge Investments, LLC (“ClearBridge”) and Western Asset Management Company, LLC (“Western Asset”), as Subadvisers, that are similar to the arrangements described in this brochure. ClearBridge and Western Asset are both wholly-owned subsidiaries of Franklin Resources. LMPPG may enter into similar subadvisory arrangements with other Legg Mason affiliates.

Legg Mason Investor Services, LLC. Legg Mason Investor Services, LLC, which will change its name to Franklin Distributors, LLC effective on or about July 7, 2021 (“LMIS”), is registered as a broker-dealer under U.S. securities laws and is an affiliate of LMPPG and the Subadvisers. LMIS markets the LMPPG/Subadviser investment advisory services described in this brochure and other Legg Mason investment products and services, including Legg Mason mutual funds managed by the Subadvisers. Certain employees of LMPPG and the Subadvisers, including certain management personnel of each Subadviser, are registered representatives of LMIS. This status enables these employees to assist LMIS with its marketing activities. LMPPG and Subadviser employees do not receive commissions or other sales-based compensation and spend no more than a limited amount of their time assisting LMIS.

LMPPG/ClearBridge Relationship. LMPPG has a relationship with ClearBridge in which ClearBridge supports LMPPG in the following functional areas: management, client service, compliance, technology, finance and human resources.

Affiliated Mutual Fund Investments. As described in Item 8 of a Subadviser’s Form ADV disclosure document, certain investment management portfolios for which a Subadviser provides investment subadvisory services involve investments in mutual funds, ETFs and/or SMA portfolios that are managed or advised by such Sub-Adviser or its affiliates.

Registration with or licensing by a regulator does not imply endorsement by the regulator. Nor does it imply a certain level of skill or training.

B. LMPPG and the Subadvisers: Commodity Law-Related Status

The principal business of LMPPG and the Subadvisers is providing securities-related investment advisory services to clients. LMPPG and the Subadvisers do not provide advice on commodity interests (e.g., futures, options on futures, swaps) as part of the investment advisory services they provide in Sponsor Firm investment programs.

LMPPG is not registered as a commodity trading advisor under U.S. commodities laws.

C. Subadvisers

Please refer to Item 10 of a Subadviser’s Form ADV disclosure document for a description of such Subadviser’s financial industry activities and affiliations that are in addition to the subadvisory arrangement between LMPPG and such Subadviser and for a description of whether such Subadviser is registered as a commodity trading advisor or commodity pool operator under U.S. commodities laws.

Item 11

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

As briefly described below in Sections A, B and C, LMPPG has adopted a code of ethics designed to comply with applicable legal requirements and address potential conflicts of interest associated with personal trading by its employees.

A. LMPPG

LMPPG has adopted a Code of Ethics imposing standards of business conduct, including requirements to put client interests first and not to take inappropriate advantage of employment-related information. The Code is intended to prevent conflicts of interest between employees and clients from affecting the investment advisory services LMPPG provides to clients and to assure compliance with applicable laws. To prevent employees from taking advantage of their knowledge of which securities LMPPG is purchasing and selling (and recommending for purchase and sale) for clients, the Code imposes restrictions on employee personal securities transactions. The Code requires LMPPG employees to obtain pre-approval of most personal securities transactions from LMPPG's Compliance Department. In addition, except in the case of smaller personal trades in large capitalization stocks (which LMPPG expects will not affect client trades), the Code prohibits personal trades in a security on any day during which there are open, executed or pending LMPPG trades in the same security as a result of a model portfolio change a Subadviser has communicated to LMPPG before the employee's placing of a personal trade for the security. This prohibition under the Code seeks to prevent employees from "front-running" client trades and possibly benefitting personally from the impact of client trades on the market. In addition, when seeking preclearance for personal trades, LMPPG requires its employees to certify that they are not trading on material non-public information.

Additional restrictions imposed by the Code include minimum holding periods for profitable trades, as well as minimum holding periods for ClearBridge managed funds. LMPPG requires all employees to report their personal securities accounts, transactions and holdings to LMPPG's Compliance Department and to certify to the completeness of the information and their compliance with the Code on an annual basis.

Existing and prospective LMPPG clients may obtain copies of the Code of Ethics by mailing a written request to:

Legg Mason Private Portfolio Group, LLC
620 8th Avenue, 47th Floor
New York, NY 10018
Attention: Compliance Department

B. Discussion of Potential Conflicts of Interest Associated with Employee Personal Trading

LMPPG employees may make personal investments in the same securities LMPPG and the Subadviser invest in for client accounts. Employees may also make personal investments in related securities or financial instruments, such as options, futures and warrants. In some cases, employees may make these investments at or about the same time LMPPG or a Subadviser is making the same investments or related investments for client accounts. This possibility involves a potential conflict between client interests and the personal interests of the employee. For example, if a LMPPG or a Subadviser employee learns of a Subadviser investment decision prior to the decision's implementation for client accounts, the employee may have an incentive to seek to benefit himself or herself by making a personal transaction in the security before such implementation takes place, potentially disadvantaging the client accounts. Another example involves an employee's personal investment in a particular security giving the employee an incentive to benefit himself or herself by investing client accounts, or recommending client investment, in the same security or a related security (instead of investing client accounts or recommending investments based solely on what the employee believes is in the best interests of clients).

LMPPG seeks to prevent personal trading-related potential conflicts of interest from affecting their investment advisory services by subjecting their employees' personal trading activity to the requirements and restrictions of the applicable Code of Ethics described above. Examples of requirements and restrictions that address these potential conflicts of interest include:

- pre-clearance requirements for certain personal securities transactions;

- prohibitions on certain personal securities transactions at or near the time the same or related securities are being purchased or sold (or recommended for purchase or sale) for client accounts;
- minimum holding periods for certain employee personal investments; and
- Compliance Department monitoring of employee personal investments and securities transactions.

C. Other Potential Conflicts of Interest

In addition to the Code of Ethics described above applicable to employee personal securities transactions, LMPPG has adopted other policies and procedures that are designed to address various potential conflicts of interest that may arise in the course of their business as an investment adviser. Such potential conflicts and related policies and procedures pertain to matters such as political contributions, receipt of gifts and entertainment, prohibition on outside public company board service and business activities, personal investment with business contacts, prohibitions on trading while in possession of material non-public information and error resolution.

D. Subadvisers

In the case of a Subadviser, please refer to Item 11 of such Subadviser's Form ADV disclosure document for a discussion of such Subadviser's code of ethics, conflicts of interest associated with personal trading by such Subadviser's employees and with proprietary accounts managed by such Subadviser, and other conflicts of interest that may arise.

Item 12

BROKERAGE PRACTICES

Except as noted below, LMPPG selects broker-dealers to execute securities transactions for client accounts in LMPPG-Implemented Programs as described below in Section A.

In LMPPG-Implemented Programs, each client (or the Sponsor Firm on the client's behalf) generally directs LMPPG to place securities trades for execution with the client's Sponsor Firm or a designated broker ("Designated Broker"), subject to the obligation to seek best execution. For clients who enter into investment management agreements directly with LMPPG, LMPPG typically requires such a direction.

LMPPG generally does not have trade placement responsibility under Discretionary Model Programs and Non-Discretionary Model Programs. However, LMPPG's agreement with the Sponsor of such a program may permit LMPPG to include accounts in a block trade that LMPPG places on behalf of accounts under LMPPG-Implemented Programs. Assuming such inclusion is contractually permitted, it is anticipated that the circumstances in which LMPPG will seek in practice to include accounts from non-LMPPG-Implemented Programs in a block trade will be very limited due to the significant operational, coordination and timing challenges presented by such inclusion.

In addition to describing how LMPPG selects broker-dealers to execute trades for client accounts, Sections A, B and C below describe the trade aggregation, allocation and communication (including model change communication) practices of LMPPG.

In the case of a Subadviser, please refer to Item 12 of such Subadviser's Form ADV disclosure document for a description of such Subadviser's trade aggregation, allocation and communication (including model change communication) practices. The Subadvisers provide, in conjunction with LMPPG, investment advisory services primarily under Discretionary Model Programs and Non-Discretionary Model Programs, but may also provide such services under LMPPG-Implemented Programs.

A. LMPPG

Selection of Broker-Dealers By LMPPG to Execute Equity Securities Transactions

LMPPG seeks best execution when selecting broker-dealers to execute securities transactions. Best execution consists of obtaining the most favorable result for clients within the current parameters of the market. LMPPG does not necessarily measure best execution by the circumstances surrounding a single transaction and may seek best execution over time across multiple transactions. LMPPG selects broker-dealers it believes will provide prompt and reliable execution at favorable security prices with reasonable commission rates and/or other transaction costs. LMPPG considers the best net price, giving effect to any brokerage commissions, commission equivalents, mark-ups, mark-downs, spreads, and other transaction costs, an important factor in selecting broker-dealers to execute securities transactions. LMPPG may also consider other factors, including: the nature of the security being traded; the size and complexity of the transaction; the desired timing of the trade; the activity existing and expected in the market for the particular securities; confidentiality; execution, clearance and settlement capabilities; counterparty financial condition and reliability; the availability of capital commitment; and other appropriate trade execution services of the broker-dealer.

To the extent practical, LMPPG may select the client's Sponsor Firm, a Designated Broker or any broker-dealer LMPPG has approved as an executing broker to execute securities transactions for client accounts, including alternative execution venues (e.g., electronic communication networks and crossing networks), as executing brokers.

Transactions Driven By Client Account-Specific Activity

For equity securities transactions driven by client account-specific activity, such as account contributions and withdrawals, LMPPG expects to select the client's Sponsor Firm or Designated Broker to execute all or a large percentage of such transactions. Transactions sent to the client's Sponsor Firm or Designated Broker for execution are subject to the Sponsor Firm's or Designated Broker's operational processes. Such processes will impact when and how such transactions are executed and are not within LMPPG's control. Clients with equity investment management portfolios or allocations to such portfolios typically pay their Sponsor Firms or Designated Brokers wrap fees or other asset-based fees for services that include execution of agency trades (equity securities generally trade on an agency basis and fixed income securities generally trade on a principal basis). In such fee arrangements, clients typically will not pay any transaction-specific commissions on

equity securities transactions when LMPPG selects their Sponsor Firms or Designated Brokers to execute those securities transactions. Certain clients may have fee arrangements with their Sponsor Firms or Designated Brokers under which they pay transaction-specific commissions on equity securities transactions instead of wrap fees or other asset-based fees. LMPPG has no role in negotiating the commission schedule that is agreed to by the client and the Sponsor Firm or Designated Broker. Due to regulatory considerations and Sponsor Firm requirements, LMPPG executes fixed income securities transactions through a broker-dealer other than a client's Sponsor Firm or Designated Broker in most instances, including transactions driven by client account-specific activity.

Transactions Driven by a Model Change

For equity securities transactions that are driven by a change in a Sub-Adviser's investment model and that need to be simultaneously effected for many clients (i.e., model-change trades), LMPPG has executed, and expects to continue to execute, all or substantially all of these transactions as an aggregated block trade through a single broker-dealer instead of executing the transactions with each client's Sponsor Firm or Designated Broker. LMPPG believes that handling equity model change trades in this manner enhances its ability to obtain best execution for client accounts. The main alternative to this approach would be to use a trade rotation process for model change trades, in which LMPPG separately and sequentially transmits orders for the transactions to each Sponsor Firm or Designated Broker for execution. LMPPG believes that effecting model-change trades as block trades eliminates the detrimental impact on market prices of placing separate, successive orders into the marketplace as well as the potential for general movements in securities prices over the extended time period needed to complete a trade rotation. Further, block trading helps to reduce the risks of information leakage (i.e., increasing the number of broker-dealers receiving orders increases the chances that those broker-dealers will trade in anticipation of the orders or seek to use information on LMPPG's trading to the detriment of LMPPG's clients), which could result in less advantageous execution prices for clients whose accounts LMPPG trades after making the same trade for other clients. Also, LMPPG believes that effecting model-change trades as block trades often may enable LMPPG to benefit all participating client accounts because more favorable securities prices may be obtained under certain circumstances by trading in larger volumes and because LMPPG may be able to take advantage of additional sources of liquidity that certain broker-dealers and trading venues can provide. In addition, block trading promotes the fair and equitable treatment of client accounts by ensuring that participating client accounts obtain the same execution price and achieve comparable investment performance.

LMPPG, in its discretion, may, but is not required to, aggregate the same order for the same security resulting from a model change for more than one investment model. Such multiple orders could come from the same Sub-Adviser or from multiple Sub-Advisers. The "same order for the same security" means that the orders are not limit orders or orders where the portfolio managers have provided specific trade instructions. LMPPG's traders may place two orders with the same broker-dealer (which may or may not aggregate the orders) or place the orders with two different broker-dealers. To the extent that there are separate orders, they may be in competition with each other in the market.

LMPPG has been able to effect a significant percentage of block trades without causing client accounts to pay commissions, commission equivalents, markups or markdowns or spreads. However, client accounts participating in certain block trades will incur such charges when LMPPG determines, consistent with its obligation to seek best execution, that such charges are warranted in light of such factors as the size and complexity of the transaction, the nature of the security being traded, the broker-dealer's expertise and capabilities and instructions from the portfolio managers. To the extent that such charges are incurred on a particular block trade, they typically are reflected in the net security price paid or received by the client. Any such commissions, commission equivalents, markups or markdowns or spreads will be in addition to the asset-based fee, transaction-specific commissions and other fees and charges the client pays to the client's Sponsor Firm or Designated Broker. In the case of a fee arrangement under which a client pays its Sponsor Firm or Designated Broker transaction-specific commissions, the Sponsor Firm or Designated Broker may charge higher commissions on trades executed away from the Sponsor Firm or Designated Broker. In addition, a client's Sponsor Firm or Designated Broker may charge tradeaway, stepout, prime brokerage, clearing, settlement or similar processing charges and fees ("processing charges") on trades executed away from the Sponsor Firm or Designated Broker. Any such processing charges will be in addition to the asset-based fee or transaction-specific commissions the client pays to the client's Sponsor Firm or Designated Broker. LMPPG has no role in negotiating the commission schedules and processing charges that are agreed to by the client and the Sponsor Firm or Designated Broker and does not consider such commission schedules and processing charges in executing model-change trades as block trades through a single broker-dealer and in selecting broker-dealers to execute such transactions.

In an effort to monitor that the trading method it utilizes is consistent with its obligation to seek best execution for client transactions, LMPPG does a trade cost analysis on significant block trades. This trade cost analysis includes a review of the

percentage of the daily volume each trade represents, a comparison of the execution price versus the arrival price (the price of the security at the time the order was initially implemented), and a comparison of the execution price versus the Volume Weighted Average Price (“VWAP”) during the time the order is active. The trade cost analysis includes any implied commission paid (as this is reflected in the total security price or proceeds), and such information is retained with a record of the trade. In addition, LMPPG’s Brokerage Committee provides oversight of LMPPG’s trading activities in an effort to ensure that client transactions are being executed in a cost-effective manner consistent with LMPPG’s policies and procedures. The Brokerage Committee meets quarterly. The Committee is provided with trade cost analyses for significant block trades, the average commissions or commission equivalents incurred by client accounts during the quarter and the percentage of trades that incurred such additional costs, as well as a list of the broker-dealers used by LMPPG and their share of volume.

To execute client account transactions in ADRs that, in LMPPG’s judgment, have limited liquidity in U.S. markets, LMPPG may select broker-dealers that purchase the ADR issuer’s underlying ordinary shares in non-U.S. markets and then package such shares into an ADR (in the case of an ADR purchase) or convert the ADR into underlying ordinary shares of the ADR issuer and then sell such shares in non-U.S. markets (in the case of an ADR sale). These transactions typically involve foreign exchange, ADR conversion and related costs and charges that are reflected in the net price paid or received by the client.

LMPPG expects to execute all or substantially all model-change equity trades as block trades, as described above. However, LMPPG reserves the ability to disaggregate model-change equity trades and follow a trade rotation approach among Sponsor Firms if it decides that a block trade approach is not practical or consistent with seeking best execution for a particular model-change trade, even though LMPPG has not had to implement a trade rotation to date with respect to any model change trade and anticipates that the instances in which it will do so in the future will be rare. If LMPPG makes a decision to do so, LMPPG will communicate trade orders and instructions to Sponsor Firms and Designated Brokers in a manner and sequence that LMPPG believes is fair and equitable to LMPPG’s clients. In addition, LMPPG may decide not to include clients of a particular Sponsor Firm in a block trade due to factors such as a direction from the Sponsor Firm to place all trades for its clients’ accounts with the Sponsor Firm or a Designated Broker without regard for best execution (see below) or temporary operational issues at particular Sponsor Firms or Designated Brokers. In such cases, LMPPG will arrange for execution of the block and non-block trades in a manner that LMPPG believes is fair and equitable to LMPPG’s clients (although all or some clients may receive a less advantageous price than if the trades had been aggregated and executed as a single block order).

In the cases where a particular Sub-Adviser investment strategy is included in a single LMPPG-Implemented Program, LMPPG reserves the ability to execute model-change equity trades for client accounts with the Sponsor Firm or Designated Broker, instead of with broker-dealers other than the Sponsor Firm or Designated Broker, if LMPPG determines that doing so would be consistent with seeking best execution.

Directed Brokerage

Although LMPPG generally is subject to the obligation to seek best execution, LMPPG in its sole discretion may accept a client or Sponsor Firm direction to use the client’s Sponsor Firm or a Designated Broker to execute all or certain securities trades for the client’s LMPPG-Implemented Program account without regard for whether best execution may be achieved. In the event LMPPG accepts such a direction:

- (i) LMPPG will not negotiate the Sponsor Firm’s or Designated Broker’s trade execution services or compensation for such services on behalf of the client account;
- (ii) LMPPG will not be in a position to, and will not, monitor for best price and execution of transactions Sponsor Firm or Designated Broker executes for the client account;
- (iii) the account may forego benefits that LMPPG may be able to obtain for other client accounts that participate in LMPPG’s block trades, as described above; and
- (iv) the prices and execution quality achieved for the account may be less favorable, including more costly to the client account, than the prices and execution quality LMPPG achieves for other client accounts.

In addition, LMPPG's business relationship with the applicable Sponsor Firm or Designated Broker may give LMPPG an incentive to recommend that the client or Program Sponsor issue such a direction. A client or Sponsor Firm may terminate such a direction by notifying LMPPG in writing.

LMPPG Aggregation of Trade Orders and Trade Allocation. As noted above, LMPPG generally seeks to aggregate equity trades that are driven by a change in a Subadviser's investment model and that need to be simultaneously effected for many client accounts in LMPPG-Implemented Programs. LMPPG, in its discretion, may, but is not required to, aggregate the same order for the same security resulting from a model change for more than one investment model. Such multiple orders could come from the same Sub-Adviser or from multiple Sub-Advisers. The "same order for the same security" means that the orders are not limit orders or orders where the portfolio managers have provided specific trade instructions. LMPPG's traders may place two orders with the same broker-dealer (which may or may not aggregate the orders) or place the orders with two different broker-dealers. To the extent that there are separate orders, they may be in competition with each other in the market.

LMPPG generally allocates securities purchased or sold as part of an aggregated order to each participating account in an amount equal to its percentage of the aggregated order. Each participating account receives the average price for the transaction and shares any transaction costs pro rata based upon the account's level of participation in the aggregated order. If a client's Sponsor Firm or Designated Broker charges trade away processing, clearing or settlement charges for the trade, the client's account separately bears these charges.

In the case of a partially-filled aggregated order for an equity security, LMPPG allocates the securities purchased or sold among participating accounts according to one or more methods designed to ensure that the allocation is equitable and fair. These methods include pro rata allocation and random allocation. Under the pro rata method, LMPPG allocates all securities purchased or sold pro rata to all of the accounts included in the order based upon the amount of securities LMPPG intended to purchase or sell for each participating account. Under the random allocation method, LMPPG allocates the partially filled order to accounts included in the aggregated order on a random basis. LMPPG generally uses this method only after seeking direction or agreement from the Subadviser portfolio management team responsible for the underlying investment decision. The random allocation method is intended for situations in which the partial execution quantity is an amount that does not allow for a pro rata allocation of securities to all accounts or does not allow for a meaningful allocation of securities to all accounts. Where an aggregated order covers clients in multiple Sponsor Firm investment programs, LMPPG first allocates the securities to the investment programs participating in the order following one of the accepted trade allocation methods. LMPPG then allocates the securities to clients within each investment program following one of the accepted trade allocation methods.

If there is an open order being worked by LMPPG's trading desk and a new order in the same security is received by LMPPG's trading desk, LMPPG's trader, in his or her discretion, may (i) aggregate the new order with the earlier order, or (ii) treat the new order and the remainder of the earlier order as two separate orders and place the order or orders with a broker-dealer or broker-dealers that the trader believes will achieve best execution. To the extent that there are two orders, the orders may be in competition with each other in the market. In choosing between the foregoing methods, LMPPG's traders may consider such factors as the time the order was received, the amount of the order remaining and the liquidity of the security.

LMPPG's Communication and Implementation of a Subadviser's Model Changes. As a general matter, LMPPG seeks to communicate trade orders and a Subadviser's investment instructions and recommendations for the same equity security to its own trading desk and to any Sponsor Firm or Designated Broker that is responsible for portfolio implementation, trade placement or trade execution at the same time. In certain cases, however, administrative requirements (e.g. formatting requirements) or implementation practices of a Sponsor Firm or Designated Broker (e.g. accepting instructions or recommendations only once daily or only during particular times of the day) may delay the communication of investment instructions or recommendations. Similarly, required portfolio implementation work may delay LMPPG's communication of trade orders to a Sponsor Firm or Designated Broker for execution. Due to such potential delays, as well as any delays by a Sponsor Firm in acting upon investment instructions or recommendations it receives, LMPPG's trading desk may be able to place certain trade orders with broker-dealers for certain client accounts before LMPPG is able to place trade orders in the same security with a Designated Broker and/or such Sponsor Firm is able to place trade orders in the security for accounts it services. In such cases, accounts serviced by the Sponsor Firm or Designated Broker could be negatively impacted by such timing differences.

Trade orders placed by Sponsor Firms or Designated Broker trading desks (where LMPPG forwards Subadviser investment instructions or recommendations to such firms) in most cases will end up competing in the marketplace with orders placed by LMPPG's trading desk for LMPPG client accounts with respect to which LMPPG implements ClearBridge investment instructions. This competition may negatively affect both LMPPG's clients and client accounts managed by Sponsor Firms. LMPPG undertakes to mitigate or offset the negative effect on execution quality from such competition by seeking to tightly control the timing of its executions, limiting orders based on daily trading volume and setting price targets.

B. Subadvisers

In the case of a Subadviser, please refer to Item 12 of such Subadviser's Form ADV disclosure document for a description of such Subadviser's trade, allocation and communication (including model change communication) practices.

C. Error Policies

Each of LMPPG and each Subadviser maintains an Error Policy aimed at ensuring the prompt detection, reporting and correction of errors affecting the accounts of LMPPG clients for which they have portfolio implementation and trade placement responsibility. Under the policies, the correction method used for an error must put the client in the same position the client would have been in had the error not occurred (i.e., the client must be made whole for any error-related losses and costs suffered). If an error involves multiple security positions, LMPPG or the Subadviser, as applicable, may calculate the net loss caused by the error (if any) by aggregating such positions (for a client account) and offsetting any gains that resulted from the error against the gross losses that resulted from the error.

LMPPG and a Subadviser, like other investment managers, have a conflict of interest in connection with the identification and resolution of trade errors, operational errors and other errors. Specifically, each of LMPPG and a Subadviser, as a party who may bear some or all of the financial responsibility to correct an error, has an incentive to determine that an error did not occur or, if one has occurred, to resolve it in a manner that minimizes the financial impact on it. However, each of LMPPG and the Subadvisers endeavor to make determinations concerning errors in good faith and in accordance with applicable legal standards. In addition, such determinations typically are made in consultation with appropriate compliance personnel.

LMPPG's and a Subadviser's Error Policies generally apply only to the extent that LMPPG or such Adviser, as applicable, has control of resolving errors for client accounts. For many investment programs, the Sponsor Firm may have control over the resolution of errors of participating investment managers.

Item 13

REVIEW OF ACCOUNTS

A. LMPPG-Implemented Programs

LMPPG maintains an Implementation Team consisting of Portfolio Associates. The Implementation Team's responsibilities include implementing Subadviser investment instructions for client accounts in LMPPG-Implemented Programs. The Implementation Team uses a portfolio modeling application to review client accounts in such Programs each business day against certain parameters designed to detect client account investments that may be significantly at variance from the selected investment management portfolios. The Implementation Team also uses this application to review client accounts in connection with LMPPG's implementation of Subadviser-instructed trading activity (e.g., purchase or sale instructions) and LMPPG's accommodation of client-directed activity (e.g., account withdrawals and contributions).

Client or Sponsor Firm inquiries may cause LMPPG to conduct additional reviews of client accounts in LMPPG-Implemented Programs.

Sponsor Firms typically prepare and send regular account statements to clients in Sponsor Firm investment programs. LMPPG typically does not send regular account reports to such clients.

B. Discretionary Model Programs and Non-Discretionary Model Programs

LMPPG and the Subadvisers do not have implementation responsibility in Discretionary Model Programs and Non-Discretionary Model Programs and therefore generally do not review client accounts in these Programs.

Item 14

CLIENT REFERRALS AND OTHER COMPENSATION

LMPPG and its affiliates, including the Subadvisers, may make payments for marketing, promotional and related expenses to Sponsor Firms that may recommend LMPPG/Subadviser investment management portfolios. They also may provide Sponsor Firms and Sponsor Firm personnel, including Sponsor Firm representatives, with related benefits, including:

- training meetings, including related travel, lodging and meals;
- access to technology and other tools and support services that facilitate the marketing and promotion of LMPPG/Subadviser-affiliated investment management portfolios and other LMPPG/Subadviser-affiliated investment products and services;
- certain client/prospect meeting materials and expenses; and
- low-value gifts and promotional items.

These payments and benefits could give Sponsor Firms and their personnel, including Sponsor Firm representatives, incentives to favor LMPPG/Subadviser-affiliated investment management portfolios and other LMPPG/Subadviser-affiliated investment products and services over those of firms that do not provide the same payments, items and benefits. If LMPPG, the Subadvisers or any of their affiliates make such payments or provide such benefits, they will do so in compliance with applicable laws and internal policies aimed at preventing the compromising of advice and recommendations given to clients.

In the case of a Subadviser, please refer to Item 14 of such Subadviser's Form ADV disclosure document for a discussion of any payments or benefits that might be made or given to a Sponsor Firm by such Subadviser.

Item 15

CUSTODY

Neither LMPPG nor any of the Subadvisers maintains physical custody of client assets in Sponsor Firm investment programs. Instead, a broker-dealer, bank or other financial firm selected by the client (e.g., the client's Sponsor Firm) typically maintains physical custody of client account assets. In the case of a client account in a Dual-Contract Program, LMPPG may be deemed under SEC rules to have custody of client assets if LMPPG has the ability, pursuant to client authorization, to deduct client fees directly from the client's account by directly invoicing the account's custodian.

Clients typically will receive account statements from the firm that maintains physical custody of their accounts. Clients should carefully review these account statements.

Item 16

INVESTMENT DISCRETION

In Discretionary Model Programs and LMPPG-Implemented Programs, LMPPG and the Subadvisers possess the authority to determine which securities are purchased, held and sold for client accounts, subject to the investment management portfolio the client has selected – i.e., investment discretion. This authority includes the authority to determine the timing and amount of investments and transactions.

In Discretionary Model Programs, LMPPG enters into an agreement with the Sponsor Firm that obligates the Sponsor Firm to implement, or cause its designee to implement, Subadviser investment decisions for client accounts, subject to any client-imposed restrictions or other client directions accepted by the Sponsor Firm or its designee.

In LMPPG-Implemented Programs, LMPPG's discretionary authority over client accounts includes the authority to implement Subadviser investment decisions for client accounts, subject to any client-imposed restrictions or other client directions LMPPG or the Subadviser accepts. This authority typically is derived from a power of attorney contained in the agreement with the Sponsor Firm in the case of a Single-Contract Program or in the agreement with the client in the case of a Dual-Contract Program. As described in Section D of Item 4 of this brochure, clients in LMPPG-Implemented Programs:

1. may impose restrictions on investments in specific securities (e.g., stock of Company ABC) or on investments in certain categories of securities (e.g., tobacco company stocks); and
2. may be able to direct sales of securities and temporary investment in ETFs.

In LMPPG-Implemented Programs, LMPPG or the applicable Subadviser accepts a proposed client account for management in accordance with a selected investment management portfolio before managing the client's account.

For all Sponsor Firm investment programs, neither LMPPG nor any Subadviser renders any legal advice or has authority to take action on behalf of clients with respect to legal proceedings, including bankruptcies and shareholder litigation, to which any securities or securities issuers become subject. Accordingly, neither LMPPG nor any Subadviser will initiate or pursue legal proceedings, including without limitation shareholder litigation, for clients in such programs.

Item 17

VOTING CLIENT SECURITIES

LMPPG and the Subadvisers generally will accept authority to vote proxies, or issue proxy voting instructions, for securities held in client accounts.

Although LMPPG and the Subadvisers have no responsibility for the distribution of proxies or related solicitation material, LMPPG expects that clients who do not delegate proxy voting authority generally will receive proxies and other related solicitation materials for securities in their accounts. LMPPG and the Subadvisers generally do not provide advice to such clients on proxy solicitations.

A. LMPPG

LMPPG does not exercise discretion in determining how to vote proxies for securities held in client accounts. Where a client or Sponsor Firm authorizes LMPPG to vote proxies or issue proxy voting instructions for securities held in client accounts, LMPPG does so based on proxy voting instructions provided by the applicable Subadviser.

A client may request:

- (i) a copy of LMPPG's Proxy Voting Policies and Procedures; and/or
- (ii) information concerning how LMPPG, as instructed by the applicable Subadviser, voted proxies for securities held in the client's account.

Clients may obtain this information by sending a written request to:

Legg Mason Private Portfolio Group, LLC
620 8th Avenue, 48th Floor
New York, NY 10018
Attention: Head of SMA Operations

B. Subadvisers

In the case of a Sub-Adviser, please refer to Item 17 of such Subadviser's Form ADV disclosure document for a description of such Subadviser's proxy voting practices.

Item 18
FINANCIAL INFORMATION

Not Applicable.

APPENDIX A

Your Privacy at Legg Mason Private Portfolio Group, LLC

This notice is being provided for Legg Mason Private Portfolio Group, LLC.

We are concerned about the privacy of the individuals for whom we provide advisory services. We are sending this notice to individuals (“you”) who invest, for personal, family, or household purposes, in accounts that we manage. This is to help you understand how we handle, protect and limit certain nonpublic personal information that we may collect in order to conduct and process your business with us. The provisions of this notice apply to former individual advisory clients as well as current individual advisory clients unless we state otherwise.

We protect any personal information we collect about you by maintaining physical, electronic and procedural safeguards that meet or exceed applicable law. Third parties who have access to such personal information must agree to follow appropriate standards of security and confidentiality. We train people who work for us in how to properly handle such personal information, and we restrict access to it.

The personal information that we may collect about you comes from the following sources:

- Information received from you, such as on applications or other forms.
- Information about your transactions with us, our affiliates and nonaffiliated third parties; and
- Information we may receive about you from other sources, such as your broker.

Our affiliates are the family of companies controlled by Franklin Resources, Inc. If you are a customer of other Franklin Resources, Inc. affiliates and you receive notices from them, you will need to read those notices separately.

We do not disclose any nonpublic personal information about you except as permitted by law. For example, we are permitted to disclose nonpublic personal information to our affiliates and non-affiliated third parties that perform various services on our behalf, including custodians, broker-dealers and companies that perform marketing services on our behalf or to other financial institutions with whom we have joint marketing agreements. These companies agree to use this information only for the services for which we hired them and are not permitted to use or share this information for any other purpose.

THIS IS A SEPARATE PRIVACY NOTICE THAT IS SPECIFIC TO CALIFORNIA RESIDENTS PURSUANT TO THE CALIFORNIA CONSUMER PRIVACY ACT OF 2018.

If you are a resident of California, and, with respect to an account managed by Legg Mason Private Portfolio Group, LLC for an individual or entity client, are a broker, dealer, investment adviser, agent, fiduciary, or representative acting on behalf of or for the account of such individual or entity client, the provisions of this Privacy Notice apply to your personal information (as defined by the California Consumer Privacy Act of 2018).

In addition to the provisions of the Privacy Notice above, you have the right to request that we disclose what personal information we collect, use, and disclose. Such information includes your name, the name of your firm, your work phone number, your cell phone number, your work address and your e-mail address. Such information is used by Legg Mason Private Portfolio Group, LLC to communicate with you concerning your clients' accounts and to facilitate the management and servicing of such client accounts. You also have the right to request the deletion of the personal information collected or maintained by us.

If you wish to exercise any of the rights you have in respect of your personal information, you should advise Legg Mason Private Portfolio Group, LLC by contacting them as set forth below. The rights noted above are subject to our other legal and regulatory obligations. You may designate an authorized agent to make a rights request on your behalf, subject to the identification process described below. We do not discriminate based on requests for information related to our use of your personal information, and you have the right not to receive discriminatory treatment related to the exercise of your privacy rights.

We may request information from you in order to verify your identity or authority in making such a request. This process may include providing a password/passcode, a copy of government issued identification, an affidavit or other applicable documentation, i.e. written permission, if you have appointed an authorized agent to make a request on your behalf or you are an authorized agent making such a request (e.g., pursuant to a power of attorney or other written permission). We may require you to verify your identity directly even when using an authorized agent, unless a power of attorney has been provided. We reserve the right to deny a request submitted by an agent if suitable and appropriate proof is not provided.

Contact Information

Address: Data Privacy Officer, 100 International Dr., Baltimore, MD 21202

Email: privacy@leggmason.com

Phone: 800-396-4748

APPENDIX B1

Compensation Disclosure Statement for ERISA Plans (LMPPG-Implemented Programs and Discretionary Model Programs)

Please note: If you are a participant in an employer-sponsored retirement plan with an account managed by Legg Mason Private Portfolio Group, LLC, or the custodian of such an account, please forward this Compensation Disclosure Statement to the plan's sponsor or such other plan fiduciary as may be responsible for establishing or approving the maintenance of such account.

Legg Mason Private Portfolio Group, LLC Compensation Disclosure Statement

This Compensation Disclosure Statement provides disclosure concerning the compensation expected to be received by Legg Mason Private Portfolio Group, LLC ("LMPPG") and its affiliated sub-advisers in connection with the investment management services they provide to your employee benefit plan (the "Plan") pursuant to an agreement between your managed account program sponsor ("the Sponsor") and LMPPG (the "Manager Agreement").

- LMPPG and its applicable affiliated sub-adviser ("Affiliated Subadviser") provide investment management services to the Plan in accordance with the investment management strategy selected on behalf of the Plan, which is described in Item 8 (Methods of Analysis, Investment Strategies and Risk of Loss) of LMPPG's Form ADV disclosure brochure.
- The Affiliated Sub-adviser for each investment management strategy that is available through LMPPG is identified in Item 8 (Methods of Analysis, Investment Strategies and Risk of Loss) of the Affiliated Subadviser's Form ADV disclosure brochure.
- Each of LMPPG and the applicable Affiliated Subadviser will provide its investment management services to the Plan pursuant to the Manager Agreement as a "fiduciary," as such term is defined in Section 3(21) of ERISA, and as an investment adviser registered under the Investment Advisers Act of 1940.
- LMPPG receives a fee from the Sponsor pursuant to the Manager Agreement for the investment management services it renders with respect to the Plan. Such fee is calculated as a percentage of assets under LMPPG's management at a per annum percentage rate that is generally within the fee rate range set forth on Exhibit A for the strategy category applicable to the investment management strategy selected on behalf of the Plan. LMPPG pays all or a portion of the fee it receives from the Sponsor to the applicable Affiliated Subadviser.
- Each QS Investors multi-asset class portfolio for which QS Investors, LLC ("QS Investors") is the Affiliated Subadviser invests all or a portion of its assets in mutual funds and/or ETFs that are managed or advised by Legg Mason affiliates, including QS Investors and/or other Legg Mason investment advisory affiliates, and that pay fees or other compensation to such Legg Mason affiliates. Please refer to QS Investors' Form ADV Part 2A Brochure for more information. Such fund-related compensation will not be credited against or offset the advisory fee agreed to by LMPPG and the Sponsor unless such crediting or offset is required by contract or applicable law. In cases where LMPPG receives no advisory fee or a very small advisory fee from a Sponsor for a multi-asset class portfolio due to the fund-related compensation that Legg Mason affiliates will receive in connection with such portfolios, QS Investors will provide compensation out of its general resources to LMPPG for its services at a rate agreed to by QS Investors and LMPPG.
- The Sponsor is responsible for billing and collecting the fees owed by the Plan to the Sponsor pursuant to the agreement between the Plan and the Sponsor. The Sponsor also is responsible for paying the investment management fees due LMPPG in accordance with the terms of the Manager Agreement for the services LMPPG renders with respect to the Plan.

- Provided trade placement responsibility has been assigned to LMPPG in the Manager Agreement, LMPPG will be responsible for selecting broker-dealers to execute securities transactions. LMPPG does not direct client brokerage transactions, including those of the Plan, to any broker-dealer in exchange for products and services (e.g., proprietary or third party research), other than execution services for securities transactions on behalf of its clients, or otherwise participate in “soft dollar” arrangements. See Item 12 (Brokerage Practices) of LMPPG’s Form ADV disclosure brochure.
- From time to time, employees of LMPPG and the Affiliated Subadvisers may receive non-monetary compensation such as gifts and entertainment from vendors (e.g., broker-dealers) with whom they may engage in business dealings on behalf of clients, including the Plan. Under LMPPG’s and its Affiliated Subadvisers’ compliance policies, an employee of LMPPG or an Affiliated Subadviser may not accept gifts or entertainment that are conditioned on directing specific transactions or a specific level of business to another firm. LMPPG and its Affiliated Subadvisers believe that any gifts and entertainment received by their employees from a vendor are received in the context of a general business relationship and should not be viewed as attributable or allocable to any transactions engaged in with such vendor on behalf of their clients, including the Plan. In any event, if the value of gifts and entertainment received by employees of LMPPG or its Affiliated Subadvisers were allocated by such firms to their investment advisory clients, including the Plan, pro rata based on the value of each client’s account in relation to total assets under management, we believe the value allocated to the Plan would be beneath the Department of Labor’s de minimis reporting threshold for non-monetary compensation.

Exhibit A

- In the case of **LMPPG-Implemented Programs**, LMPPG generally receives, or anticipates receiving, fees from the Program Sponsor at the following rates or within the following ranges depending upon the portfolio selected by the client:

Investment Management Portfolio	Fee Rates*
ClearBridge RARE <ul style="list-style-type: none"> ClearBridge Global Infrastructure Income 	0.42% - 0.45%
Martin Currie <ul style="list-style-type: none"> Emerging Market Equities Global Equity Income International Unconstrained Equities* 	0.50% - 0.60% 0.35% - 0.37% 0.43% - 0.45%
QS Investors <ul style="list-style-type: none"> Multi-Asset Class QS Low Volatility High Dividend Equity 	0.00% - 0.40% 0.20% - 0.40%
Royce <ul style="list-style-type: none"> Royce Premier Royce Small Cap Income Royce SMID Dividend Value Royce Concentrated Value SMA 	0.45% 0.45% 0.38% 0.45%

* On or about September 30, 2021, the strategy name will be changed to International Sustainable Equity.

- In the case of **Discretionary Model Programs**, LMPPG generally receives, or anticipates receiving, fees from the Program Sponsor at the following rates or within the following ranges depending upon the portfolio selected by the client:

Investment Management Portfolio	Fee Rates or Ranges*
ClearBridge RARE <ul style="list-style-type: none"> ClearBridge Global Infrastructure Income 	0.30% - 0.32%
Martin Currie <ul style="list-style-type: none"> Emerging Market Equities Global Equity Income International Unconstrained Equities* 	0.50% 0.25% - 0.27% 0.33% - 0.45%
QS Investors <ul style="list-style-type: none"> Multi-Asset Class QS Low Volatility High Dividend Equity 	0.00% - 0.40% 0.20% - 0.40%
Royce <ul style="list-style-type: none"> Royce Premier Royce Small Cap Income Royce SMID Dividend Value Royce Concentrated Value SMA 	0.42% - 0.45% 0.42% - 0.45% 0.35% 0.42% - 0.45%

* On or about September 30, 2021, the strategy name will be changed to International Sustainable Equity.

Please see Item 5 (Fees and Compensation) of LMPPG’s Form ADV disclosure brochure for more information.

*In the case of LMPPG-Implemented Programs, LMPPG’s fees for investment management services generally cover full discretionary portfolio management, implementation and trade placement services provided by LMPPG. In the case of Discretionary Model Programs, LMPPG’s fees are net of implementation and trade placement fees retained by the Sponsor under such program.

APPENDIX B2

Compensation Disclosure Statement for ERISA Plans (Dual-Contract Programs)

Please note: If you are a participant in an employer-sponsored retirement plan with an account managed by Legg Mason Private Portfolio Group, LLC, or the custodian of such an account, please forward this Compensation Disclosure Statement to the plan's sponsor or such other plan fiduciary as may be responsible for establishing or approving the maintenance of such account.

Compensation Disclosure Statement Furnished Pursuant to Rule 408b-2 under ERISA

This Compensation Disclosure Statement provides disclosure concerning the compensation expected to be received by Legg Mason Private Portfolio Group, LLC ("LMPPG") and its affiliated sub-advisers in connection with the investment management services they provide to your employee benefit plan (the "Plan").

- LMPPG and its applicable affiliated sub-adviser ("Affiliated Subadviser") provide investment management services to the Plan in accordance with the investment management strategy selected on behalf of the Plan, which is described in Item 8 (Methods of Analysis, Investment Strategies and Risk of Loss) of the Affiliated Subadviser's Form ADV disclosure brochure, pursuant to an investment management agreement between LMPPG and the Plan (the "Investment Management Agreement").
- The Affiliated Subadviser for each investment management strategy that is available through LMPPG is identified in Item 8 (Methods of Analysis, Investment Strategies and Risk of Loss) of LMPPG's Form ADV disclosure brochure.
- Each of LMPPG and its applicable affiliated sub-adviser(s) will provide investment management services to the Plan pursuant to the terms of the Investment Management Agreement as a "fiduciary," as such term is defined in Section 3(21) of ERISA, and as an investment adviser registered under the Investment Advisers Act of 1940.
- For its services, LMPPG receives an investment management fee directly from the Plan calculated as a percentage of assets under LMPPG's management at the per annum percentage rate specified in the Investment Management Agreement. LMPPG pays all or a portion of this fee to the applicable Affiliated Subadviser.
- Each QS Investors multi-asset class portfolio for which QS Investors, LLC ("QS Investors") is the Affiliated Subadviser invests all or a portion of its assets in mutual funds and/or ETFs that are managed or advised by Legg Mason affiliates, including QS Investors and/or other Legg Mason investment advisory affiliates, and that pay fees or other compensation to such Legg Mason affiliates. Please refer to QS Investors' Form ADV Part 2A Brochure for more information. Such fund-related compensation will not be credited against or offset the advisory fee agreed to by LMPPG and the Plan unless such crediting or offset is required by contract or applicable law. In cases where LMPPG receives no advisory fee or a very small advisory fee from a Plan for a multi-asset class portfolio due to the fund-related compensation that Legg Mason affiliates will receive in connection with such portfolios, QS Investors will provide compensation out of its general resources to LMPPG for its services at a rate agreed to by QS Investors and LMPPG.
- LMPPG generally is paid its investment management fee on a quarterly basis either in advance or in arrears, as provided in the Investment Management Agreement.
 - If fees are paid in advance and the Investment Management Agreement is terminated during a quarter, LMPPG will refund to the Plan a pro-rata portion of pre-paid investment management fees. LMPPG will not charge any compensation or fees in connection with the termination of the Investment Management Agreement.

- If fees are paid in arrears and the Investment Management Agreement is terminated during a quarter, a pro-rated investment management fee will be charged to the Plan for the portion of the quarter during which LMPPG provided investment management services. No other compensation will be payable to LMPPG in the event the Investment Management Agreement is terminated.
- LMPPG's investment management fees are collected in accordance with the provisions of the Investment Management Agreement.
- LMPPG is responsible for selecting broker-dealers to execute securities transactions. LMPPG does not direct client brokerage transactions to any broker-dealer in exchange for products and services (e.g., proprietary or third party research), other than execution services for securities transactions on behalf of its clients, or otherwise participate in "soft dollar" arrangements. See Item 12 (Brokerage Practices) of LMPPG's Form ADV disclosure brochure.
- From time to time, employees of LMPPG and its affiliated sub-advisers may receive non-monetary compensation such as gifts and entertainment from vendors (e.g., broker-dealers) with whom they may engage in business dealings on behalf of clients, including the Plan. Under LMPPG's and its sub-advisers' compliance policies, an employee of LMPPG or an affiliated sub-adviser may not accept gifts or entertainment that are conditioned on directing specific transactions or a specific level of business to another firm. LMPPG and its affiliated sub-advisers believe that any gifts and entertainment received by their employees from a vendor are received in the context of a general business relationship with the vendor and should not be viewed as attributable or allocable to any transactions engaged in with such vendor on behalf of their clients, including the Plan. In any event, if the value of gifts and entertainment received by employees of LMPPG or its affiliated sub-advisers were allocated by such firms to investment advisory clients, including the Plan, pro rata based on the value of each client's account in relation to total assets under management, we believe the value allocated to the Plan would be beneath the Department of Labor's de minimis reporting threshold for non-monetary compensation.

Document III

QS Investors, LLC

Form ADV Part 2A Disclosure Brochure (June 25, 2021)

Form ADV Part 2B Brochure Supplements

QS Investors, LLC

Form ADV Part 2A Brochure

June 25, 2021

880 Third Avenue
7th Floor
New York, NY 10022
212-886-9200 t
212-886-9201 f
<http://www.qsinvestors.com>

This Brochure provides information about the qualifications and business practices of QS Investors, LLC (“QS Investors” or the “Firm”). QS Investors is registered as an investment adviser with the United States Securities and Exchange Commission (“SEC”). Registration as an investment adviser does not imply any level of skill or training. The information in this Brochure has not been approved or verified by the SEC or by any state securities authority.

If you have any questions about the contents of this Brochure, please contact us at 212-886-9200. Additional information about QS Investors is also available on the SEC’s website at: <http://www.adviserinfo.sec.gov>.

Item 2 – Summary of Material Changes

This Brochure, dated June 25, 2021, replaces QS Investors' last Form ADV 2A Brochure dated October 1, 2020. There are no material changes to this Brochure since the last update.

Clients and prospective clients should carefully review this Brochure and direct any questions that they have to an account representative. Account representatives can be reached at the phone number identified on the cover page of this Brochure.

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Item 4 – Advisory Business

About QS Investors

QS Investors is an SEC-registered investment adviser providing investment advisory and sub-advisory services to a diverse array of institutional and retail clients and funds. The Firm has offices in New York (Headquarters) and Boston and is a wholly-owned affiliate of Franklin Resources, Inc. (“Franklin Resources”) and part of Franklin Templeton Investment Solutions.

QS Investors, the operating company and investment adviser, and QS Investors Fund Management LLC, the general partner of certain partnerships managed by QS Investors, are wholly owned subsidiaries of QS Investors Holdings, LLC, a holding company.

As of March 31, 2021, QS Investors had approximately \$19.2 billion of regulatory assets under management (“AUM”), of which approximately \$4.5 billion is managed on a non-discretionary basis. In addition, as of March 31, 2021, QS Investors had approximately \$675 million of assets under advisement (“AUA”).

Services Provided by QS Investors

QS Investors provides discretionary and non-discretionary advice to domestic and international clients based on each client’s investment objectives, guidelines, and risk tolerance, each of which may be customized to address specific client needs. Using proprietary tools and methodologies, these strategies combine quantitative, qualitative and behavioral analysis and are systematically applied in order to vary portfolio characteristics over time in response to changing market conditions and opportunities.

The Firm offers a range of investment strategies and solutions within three primary areas:

- Global Equities;
- Liquid Alternatives; and
- Customized Solutions.

Customized Solutions may include asset allocation and manager or fund selection advisory services and certain risk management strategies. Multi-asset class portfolios are typically structured as “Fund-of-Funds” or as “Manager-of-Manager” arrangements (as defined below). Please see Item 8 (Methods of Analysis, Investment Strategies and Risk of Loss) of this Brochure for detailed information about the investment strategies and solutions the Firm offers. Customized Solutions may also include the creation and maintenance of custom indexes to meet the specific needs of and for the exclusive use by a particular client (or clients).

Investment strategies may be offered to clients as separate accounts (for institutional clients, including pension and profit sharing plans, state, municipal or foreign governmental entities, corporations, charitable organizations, endowments, foundations and other business entities), pooled investment vehicles (including offshore funds, private funds, collective investment funds and Section 529 college savings plans), or open-end investment companies and exchange-traded funds (“ETFs”) registered under the Investment Company Act of 1940, as amended (the “Investment Company Act”), for which we serve as sub-adviser. Additionally, certain of QS Investors’ strategies are available to individual clients and institutional clients through managed account programs – refer to the discussion on managed account programs below for more information. Please see Item 7 (Types of Clients) of this Brochure for more information about the types of clients to whom we typically provide investment advice.

As described in Item 16 (Investment Discretion) of this Brochure, discretionary clients can impose specific investment guidelines for their accounts, outlined in their advisory contracts, including restrictions on certain securities or types of securities or other matters.

QS Investors also provides both discretionary and non-discretionary investment advice, trade recommendations and/or portfolio research services, in the form of model investment portfolios, to certain accounts of affiliated and non-affiliated clients for which QS Investors has no responsibility or authority relating to trade execution. When QS Investors maintains investment discretion or provides continuous and ongoing non-discretionary investment advice, including in the case of managed account programs (as defined below), assets are included in the Firm's AUM. In the case of other accounts for which we receive fees for performing advisory and/or other related services, associated assets are considered AUA and are not included in AUM.

Managed Account Programs (including Wrap Fee Program Services)

QS Investors serves as sub-adviser to Legg Mason Private Portfolio Group, LLC ("LMPPG") and participates in managed account programs with LMPPG. As sub-adviser to LMPPG, QS Investors participates or may participate in various types of managed account programs, including Discretionary Model-Based Programs, Non-Discretionary Model-Based Programs, and LMPPG-Implemented Programs, which are defined as follows:

- Discretionary Model-Based Programs: Programs of sponsors in which QS Investors has security selection discretion and LMPPG forwards investment instructions furnished by QS Investors in the form of model portfolios to sponsors or their designees for implementation, subject to any implementation protocols or rules of the sponsors or their designees;
- Non-Discretionary Model-Based Programs: Programs of sponsors in which LMPPG forwards QS Investors' non-discretionary investment recommendations in the form of model portfolios to sponsors or their designees for implementation, subject to the discretion of sponsors or their designees; and
- LMPPG-Implemented Programs: Programs of sponsors in which QS Investors has security selection discretion and LMPPG implements investment instructions furnished by QS Investors in the form of model portfolios with respect to client accounts, subject to any implementation protocols or rules agreed to by LMPPG and QS Investors.

In the case of Non-Discretionary Model-Based Programs, LMPPG's and QS Investors' sole client is the recipient of the model. Neither LMPPG nor QS Investors has an investment advisory relationship with the end clients in programs whose accounts are managed by the sponsor or its designee utilizing QS Investors' model portfolios.

Participation in managed account programs by QS Investors may include wrap fee programs sponsored by banks, broker-dealers, investment advisers, or other third parties. When QS Investors serves as sub-adviser to LMPPG, LMPPG may receive a portion of the wrap fee for services provided to such accounts and pass a portion of this fee onto QS Investors.

The manner in which QS Investors constructs portfolios for use in managed account programs may differ from how the same strategy is executed for another client such as a pooled fund or institutional mandate. For example, a separate account and a similar managed account program may use different investment vehicles to gain exposure to certain markets or asset classes. For this and other reasons, performance among managed account programs and pooled funds or separate accounts managed to like strategies will likely differ.

When delivering services to managed account programs, QS Investors is responsible only for supplying a model portfolio that is consistent with the designated QS Investors strategy. Though clients in managed account

programs can impose reasonable restrictions, the implementing firm (such as sponsor, overlay manager or LMPPG) is responsible for complying with such restrictions.

Commonly Used Terms Relating to the Firm's Multi-Asset Allocation Services

The following terms are used throughout this Brochure in the description of the Firm's Fund-of-Funds and Manager-of-Managers arrangements:

- "Fund-of-Funds" means an investment fund that invests in a group of Underlying Funds selected by QS Investors. Underlying Funds include QS-Advised Funds, Affiliated Funds, and/or Non-Affiliated Funds.
 - "Underlying Fund" means an investment fund in which a Fund-of-Funds or a Sleeve of a Manager-of-Managers arrangement (as defined below) invests all or portion of its assets. Underlying funds may include mutual funds, closed-end investment companies, ETFs, or other investment funds.
 - "QS-Advised Fund" means an Underlying Fund that is managed or advised by QS Investors.
 - "Affiliated Fund" means an Underlying Fund that is managed or advised by a QS Investors Affiliate.
 - "Non-Affiliated Fund" means an Underlying Fund that is managed or advised by an entity that is not a QS Investors Affiliate.
- "Manager-of-Managers arrangement" means an arrangement in which various Sleeves of a client's account are managed by Underlying Managers selected by QS Investors.
 - "Underlying Manager" means an investment management firm that manages one or more Sleeves of a client's account under a Manager-of-Managers arrangement. Underlying managers may include QS Investors, Affiliated Managers, and Non-Affiliated Managers.
 - "QS-Advised Sleeve" means a Sleeve for which QS Investors serves as the Underlying Manager.
 - "Affiliated Manager" means an Underlying Manager that is a QS Investors Affiliate.
 - "Non-Affiliated Manager" means an Underlying Manager that is not a QS Investors affiliate.
 - "Sleeve" means the portion of a "Manager-of-Managers" client account allocated to an Underlying Manager. All or a portion of the assets in a Sleeve may be invested in an Underlying Fund by the Sleeve's Underlying Manager.
- "QS Investors Affiliate" means an entity that is under common ownership with QS Investors.
- "Managed Account Fund Portfolio" means an arrangement in which a client's account or portfolio under a managed account program is invested in a group of Underlying Funds, which may include QS-Advised Funds, Affiliated Funds and/or Non-Affiliated Funds, as defined above.
- "Multi-Manager Investment" means any of Fund-of Funds, Manager-of-Managers arrangement, or Managed Account Fund Portfolio, as defined above.

Item 5 – Fees and Compensation

Fees Charged

QS Investors generally assesses client fees based on its standard fee schedules. Actual fees, minimum fees and minimum account sizes may be negotiated and will vary depending on the client, nature, and/or amount of services provided or as otherwise agreed upon with each client. Fees may be higher or lower than the fees reflected below and those charged by other investment advisers for comparable services.

QS Investors may also charge performance or incentive-based fees. Additional information regarding these practices is provided in Item 6 (Performance-Based Fees and Side-by-Side Management).

How Fees are Charged

Fees are charged to and collected from each client in accordance with the terms of QS Investors' investment management, investment advisory, or other service agreement with the client. The client's agreement with QS Investors will generally provide that QS Investors is to invoice the client for payment of QS Investors' fees. Alternatively, such agreement may authorize QS Investors to send its invoice to the client's custodian, which then debits the client's account and remits payment to QS Investors. In the case of a client that is an investment fund sub-advised by QS Investors, the fund's manager or adviser is generally responsible for calculating and paying QS Investors' fees without being invoiced by QS Investors. QS Investors does not deduct fees directly from client accounts.

Fees are generally charged based on the combined market value of all securities and cash on the accounting date at the end of a specified period (e.g., the last business day of the quarter or an average of AUM during the quarter). Clients with separately managed accounts are generally billed in arrears, payable on a monthly or quarterly basis. Alternatively, clients can arrange to pay fees in advance of services rendered. In such cases, if a contract is terminated before the period has ended, the prorated, unearned portion of any advance payment received will be promptly refunded to the client based on the number of days remaining in the billing period. If QS Investors' advisory services begin after the first day of a billing period or end before the last day of the period, advisory fees will be prorated. Clients may terminate their advisory contracts by notifying QS Investors in writing.¹ Fees are also prorated during billing periods in which clients have added or withdrawn assets (other than immaterial amounts) based on the number of days during the period those assets were managed.

Standard Fee Schedules

QS Investors offers the following standard annualized fee schedules for the management of institutional separate account portfolios, with fees based on the market value of AUM. These fees are subject to change at QS Investors' sole discretion.

¹ Service agreements for Section 529 college savings plans typically have multi-year terms and can only be terminated on a "for cause" basis prior to expiration of the term.

Global Equities

U.S. Equity (Active Factor Investing)

U.S. Large Capitalization (Russell 1000)

	<u>Annual Fee</u>	<u>Minimum Annual Fee</u>
First \$25 million	0.65%	
Next \$75 million	0.35%	\$162,500
Balance	0.25%	

U.S. Large Capitalization (S&P 500)

	<u>Annual Fee</u>	<u>Minimum Annual Fee</u>
First \$25 million	0.65%	
Next \$75 million	0.35%	\$162,500
Balance	0.25%	

U.S. Large Capitalization Enhanced

	<u>Annual Fee</u>	<u>Minimum Annual Fee</u>
On all assets	0.30%	\$75,000

U.S. Mid Capitalization (Russell Midcap)

	<u>Annual Fee</u>	<u>Minimum Annual Fee</u>
First \$25 million	0.65%	
Next \$75 million	0.35%	\$162,500
Balance	0.25%	

U.S. Small Capitalization (Russell 2000)

	<u>Annual Fee</u>	<u>Minimum Annual Fee</u>
First \$25 million	0.85%	
Next \$75 million	0.70%	\$212,500
Balance	0.65%	

Managed Volatility Equity

U.S. Large Capitalization Managed Volatility

	<u>Annual Fee</u>	<u>Minimum Annual Fee</u>
First \$25 million	0.65%	
Next \$75 million	0.35%	\$162,500
Balance	0.25%	

U.S. Small Capitalization Managed Volatility

	<u>Annual Fee</u>	<u>Minimum Annual Fee</u>
First \$25 million	0.85%	
Next \$75 million	0.70%	\$212,500
Balance	0.65%	

<u>Low Volatility High Dividend</u>		
U.S. Low Volatility High Dividend		
	<u>Annual Fee</u>	<u>Minimum Annual Fee</u>
On all assets	0.30%	\$75,000
<u>Global Equity (Active Factor Investing)</u>		
Global Opportunistic		
	<u>Annual Fee</u>	<u>Minimum Annual Fee</u>
First \$25 million	0.65%	
Next \$75 million	0.50%	\$162,500
Balance	0.45%	
<u>Global Environmental Social and Governance ("ESG")</u>		
	<u>Annual Fee</u>	<u>Minimum Annual Fee</u>
First \$25 million	0.65%	
Next \$75 million	0.50%	\$162,500
Balance	0.45%	
<u>Global Inflation-Sensitive</u>		
	<u>Annual Fee</u>	<u>Minimum Annual Fee</u>
First \$25 million	0.65%	
Next \$75 million	0.50%	\$162,500
Balance	0.45%	
<u>Global Small Capitalization (ACW)</u>		
	<u>Annual Fee</u>	<u>Minimum Annual Fee</u>
First \$25 million	0.85%	
Next \$75 million	0.70%	\$212,500
Balance	0.60%	
<u>Global Dynamic Long/Short</u>		
	<u>Annual Fee</u>	<u>Minimum Annual Fee</u>
On all assets	0.95%	\$237,500
<u>International Equity (Active Factor Investing)</u>		
International		
	<u>Annual Fee</u>	<u>Minimum Annual Fee</u>
First \$25 million	0.65%	
Next \$75 million	0.50%	\$162,500
Balance	0.45%	

International Small Capitalization (ACWI ex-U.S.)

	<u>Annual Fee</u>	<u>Minimum Annual Fee</u>
First \$25 million	0.85%	
Next \$75 million	0.70%	\$212,500
Balance	0.60%	

International Small Capitalization (S&P Developed ex-U.S. Small Cap)

	<u>Annual Fee</u>	<u>Minimum Annual Fee</u>
First \$25 million	0.85%	
Next \$75 million	0.70%	\$212,500
Balance	0.60%	

Managed Volatility Equity

Global Managed Volatility

	<u>Annual Fee</u>	<u>Minimum Annual Fee</u>
First \$25 million	0.65%	
Next \$75 million	0.50%	\$162,500
Balance	0.45%	

Global Managed Volatility Enhanced

	<u>Annual Fee</u>	<u>Minimum Annual Fee</u>
First \$25 million	0.65%	
Next \$75 million	0.50%	\$162,500
Balance	0.45%	

International Managed Volatility

	<u>Annual Fee</u>	<u>Minimum Annual Fee</u>
First \$25 million	0.65%	
Next \$75 million	0.45%	\$162,500
Balance	0.35%	

European Managed Volatility

	<u>Annual Fee</u>	<u>Minimum Annual Fee</u>
First \$25 million	0.65%	
Next \$75 million	0.45%	\$162,500
Balance	0.35%	

UK Managed Volatility

	<u>Annual Fee</u>	<u>Minimum Annual Fee</u>
First \$25 million	0.65%	
Next \$75 million	0.35%	\$162,500
Balance	0.25%	

Emerging Markets Managed Volatility		
	<u>Annual Fee</u>	<u>Minimum Annual Fee</u>
First \$25 million	0.80%	
Next \$75 million	0.70%	\$200,000
Balance	0.60%	
Asia Pacific ex-Japan Managed Volatility		
	<u>Annual Fee</u>	<u>Minimum Annual Fee</u>
First \$25 million	0.80%	
Next \$75 million	0.70%	\$200,000
Balance	0.60%	
<u>Diversification Based Investing ("DBI")</u>		
DBI Global		
	<u>Annual Fee</u>	<u>Minimum Annual Fee</u>
First \$100 million	0.60%	
Next \$400 million	0.50%	\$300,000
Balance	0.40%	
DBI International (EAFE)		
	<u>Annual Fee</u>	<u>Minimum Annual Fee</u>
First \$100 million	0.50%	
Next \$400 million	0.40%	\$250,000
Balance	0.30%	
DBI Emerging Markets		
	<u>Annual Fee</u>	<u>Minimum Annual Fee</u>
First \$25million	0.80%	
Next \$75 million	0.70%	\$200,000
Balance	0.60%	
DBI World ex-Australia		
	<u>Annual Fee</u>	<u>Minimum Annual Fee</u>
First \$100 million	0.40%	
Next \$400 million	0.30%	\$200,000
Balance	0.20%	
DBI ACWI Plus ex-Australia		
	<u>Annual Fee</u>	<u>Minimum Annual Fee</u>
First \$100 million	0.70%	
Next \$400 million	0.60%	\$350,000
Balance	0.50%	

Low Volatility High Dividend

International Low Volatility High Dividend

	<u>Annual Fee</u>	<u>Minimum Annual Fee</u>
On all assets	0.40%	\$100,000

Liquid Alternatives

Global Market Neutral Equity

	<u>Annual Fee</u>	<u>Minimum Annual Fee</u>
On all assets	0.95%	\$237,500

Global Tactical Asset Allocation

	<u>Annual Fee</u>	<u>Minimum Annual Fee</u>
On all assets	Customized	Customized

Customized Solutions

Multi-Asset Allocation/Other Customized Solutions

	<u>Annual Fee</u>	<u>Minimum Annual Fee</u>
On all assets	Customized	Customized

QS Investors also serves as investment manager or sub-adviser for various pooled investment vehicles, mutual funds and ETFs (collectively, “commingled funds”). The fee schedules for some of these strategies or products may be higher or lower than those reflected above.

QS Investors and a client may negotiate a management fee that has different terms or is lower than the standard fees shown above. For example, the Firm may waive or charge lower management fees to investors that seed an investment strategy. QS Investors may also waive or charge lower management fees to current and former employees, their family members, QS Investors Affiliates, and their employees who invest in pooled investment vehicles for which the Firm acts as general partner or managing member.

Neither QS Investors nor its employees accept third-party compensation, including asset-based sales charges or service fees, for the sale of securities or other investment products.

Fees Relating to Managed Account Programs

QS Investors offers the following standard annualized fee schedules for managed account programs, with fees based on the market value of AUM. QS Investors receives or anticipates receiving fees within the ranges provided below. These fees are subject to change. LMPPG receives the fees as described below and pays all or a portion of the fees to QS Investors subject to the terms of the contractual arrangement between QS Investors and LMPPG. In certain instances, if the fee paid to LMPPG is zero or near zero, QS Investors will compensate LMPPG for its services out of its general resources.

Managed Account Programs

<u>Investment Strategy</u>	<u>Annual Advisory Fee</u>		
	<u>Discretionary</u>	<u>Non-</u>	<u>Account</u>
	<u>Model</u>	<u>Discretionary</u>	
	<u>Programs</u>	<u>Model</u>	<u>Minimum</u>
QS Low Volatility High Dividend	0.20 – 0.40%	0.20 – 0.40%	\$50,000
Legg Mason Alternative Completion	0.00 – 0.20%	0.00 – 0.20%	\$25,000
Legg Mason Diversified Income	0.00 – 0.20%	0.00 – 0.20%	\$25,000
Legg Mason Strategic Real Return	0.00 – 0.20%	0.00 – 0.20%	\$25,000
Legg Mason ESG Global Equity	0.00 – 0.20%	0.00 – 0.20%	\$25,000
Legg Mason Diversified Risk Portfolios	0.00 – 0.20%	0.00 – 0.20%	\$25,000
Legg Mason Global Growth and Income	0.00 – 0.20%	0.00 – 0.20%	\$5,000
Legg Mason Multi-Manager HNW Portfolios	0.00 – 0.40%	0.00 – 0.40%	\$750,000
Legg Mason Multi-Manager HNW ESG Equity Portfolio	0.00 – 0.40%	0.00 – 0.40%	\$750,000
Legg Mason Diversified Risk ESG Portfolios	0.00 – 0.40%	0.00 – 0.40%	\$25,000
Legg Mason Diversified Risk Trust Portfolios	0.00 – 0.20%	0.00 – 0.20%	\$25,000
Legg Mason Diversified Risk ESG Small Account Solutions	0.00 – 0.20%	0.00 – 0.20%	\$5,000

QS Investors and a client may negotiate a management fee that has different terms or is lower than the standard fees shown above.

In addition, clients will incur other types of fees/expenses in connection with QS Investors' services, which may include fees charged by the sponsor and/or LMPPG, custody fees, exchange or similar fees (such as for ADRs), fees charged by other service providers (such as consultants), and transaction fees.

Underlying Fund Fees in a Managed Account Fund Portfolio

Some managed account programs are invested in a managed account fund portfolio structure which will result in fees in addition to the investment management fees incurred by the managed account program. A managed account fund portfolio structure advised by QS Investors will indirectly bear the fees and expenses charged by the Underlying Funds in which it invests. Such fees and expenses are in addition to any investment advisory fee paid directly to QS Investors. In the case of an Underlying Fund that is a QS-Advised Fund, the QS-Advised Fund's fees and expenses will include an advisory fee paid to QS Investors. In the case of an Underlying Fund that is an Affiliated Fund, the Affiliated Fund's fees and expenses will include an advisory fee paid to the affiliate. Separately, subject to an agreement between QS Investors and the affiliate, the affiliate may make a payment to QS Investors out of its general resources in consideration of the Fund being included in the model fund portfolio. Depending on the contractual arrangement agreed to by the sponsor and QS Investors and applicable law, fees paid by a QS-Advised Fund to QS Investors or by an affiliate to QS Investors by the affiliate may or may not be credited against the advisory or service fees otherwise charged by QS Investors.

In certain instances, QS Investors provides asset allocation and fund selection services for no advisory fee to Fund-of-Funds managed account programs whose portfolios are wholly or substantially comprised of Underlying Funds that are QS-Advised Funds and/or Affiliated Funds. Under such arrangements, the Underlying Funds will pay QS Investors and/or QS Investors Affiliates separate advisory fees, and the managed account program will indirectly bear the fees and expenses of such Underlying Funds.

Other Types of Fees and Expenses

BROKERAGE AND OTHER TRANSACTION COSTS AND OTHER FEES AND EXPENSES

In addition to QS Investors' advisory fees, clients of QS Investors will incur brokerage and other transaction costs in connection with securities transactions that QS Investors engages in for their accounts. Such costs may include brokerage commissions, commission equivalents, mark-ups and mark-downs, odd-lot differentials, exchange fees, SEC fees, transfer taxes, stamp taxes, and other transaction costs. In addition, other types of fees/expenses that may be incurred by the client in connection with QS Investors' services are fees charged by the sponsor and/or LMPPG, custody fees, exchange or similar fees (such as for ADRs), fees charged by other service providers (such as consultants, accountants, and administrators), and transaction fees.

Please see Item 12 (Brokerage Practices) of this Brochure for information concerning QS Investors' brokerage practices.

Clients will generally also pay other fees and expenses in connection with QS Investors' advisory services, such as custody fees to their custodians, wire transfer and electronic fund fees, fees for professional services such as audit, tax and legal services, and other charges, taxes or fees mandated by any federal, state or other applicable law.

These other fees and expenses will vary based on the type of account, instruments traded, trading frequency, and other factors unique to a strategy and/or account and are the sole responsibility of each client. QS Investors does not receive any portion of these other fees and expenses, except as described below with respect to its Multi-Manager Investments.

Each commingled fund bears its own expenses. Details regarding fees payable to QS Investors, QS Investors Affiliates, or third parties associated with investments in these funds can be found in each fund's governing documents (prospectus, confidential offering memorandum, or limited partnership agreement). Any information about commingled funds in this Brochure is superseded by the information contained in the specific fund's governing documents.

UNDERLYING FUND FEES IN MULTI-MANAGER INVESTMENTS

A Fund-of-Funds client advised by QS Investors will indirectly bear the fees and expenses charged by the Underlying Funds in which it invests. Such fees and expenses are in addition to any investment advisory fee paid directly to QS Investors. In the case of an Underlying Fund that is a QS-Advised Fund, the QS-Advised Fund's fees and expenses will include an advisory fee paid to QS Investors. In the case of an Underlying Fund that is an Affiliated Fund, the Affiliate Fund's fees and expenses will include an advisory fee paid to the affiliate. Separately, subject to an agreement between QS Investors and the affiliate, the affiliate may make a payment to QS Investors out of its general resources in consideration of the Fund being included in the model fund portfolio. Depending on the contractual arrangement agreed to by the client and QS Investors and applicable law, fees paid by a QS-Advised Fund to QS Investors and by an Affiliated Fund to a QS Investors Affiliate may or may not be credited against the advisory or service fees otherwise charged by QS Investors.

In certain instances, QS Investors provides asset allocation and fund selection services for no advisory fee to Fund-of-Funds clients whose portfolios are wholly or substantially comprised of Underlying Funds that are QS-Advised Funds and/or Affiliated Funds. Under such arrangements, the Underlying Funds will pay QS Investors and/or QS Investors Affiliates separate advisory fees, and the client will indirectly bear the fees and expenses of such Underlying Funds.

If an Underlying Manager in a Manager-of-Managers arrangement invests client assets in Underlying Funds, the client will indirectly bear the fees and expenses charged by such Underlying Funds in addition to paying an investment advisory fee directly to QS Investors and/or the Underlying Manager.

If a Fund-of-Funds client advised by QS Investors is a college savings plan and invests in Underlying Funds that are Non-Affiliated Funds, QS Investors and QS Investors Affiliates may receive and retain fees from such Non-Affiliated Funds or the adviser or distributor of such funds in respect of assets invested in such funds. Fees received from Non-Affiliated Funds are not credited against the investment advisory fees otherwise charged by QS Investors to the college savings plan. Such fee arrangements are designed to help offset QS Investors' expenses associated with maintaining an investment in a Non-Affiliated Fund on behalf of a college savings plan and can be a factor considered by QS Investors in selecting Underlying Funds in which to invest college savings plan assets. Such fee arrangements are disclosed to and consented to by the applicable college savings plan sponsor and are disclosed to college savings plan participants in applicable offering documents.

Please see Item 10 (Other Financial Industry Activities and Affiliations), Item 11 (Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading) and Item 14 (Client Referrals and Other Compensation) of this Brochure for a discussion of conflicts of interest faced by QS Investors related to fees received by QS Investors and QS Investors Affiliates from QS-Advised Funds, Affiliated Funds and Non-Affiliated Funds.

UNDERLYING MANAGER FEES IN MULTI-MANAGER INVESTMENTS

In the case of a Manager-of-Managers arrangement, the client typically will pay investment advisory fees to the Underlying Manager of each Sleeve in addition to QS Investors' investment advisory fee.

In the case of a Manager-of-Managers arrangement where the Sleeves are managed by QS Investors Affiliates, the client may pay separate advisory fees to QS Investors and the QS Investors Affiliates. Alternatively, the client may pay a single fee to QS Investors with the understanding that QS Investors will compensate each QS Investors Affiliate separately for its sub-advisory services.

In the case of a Manager-of-Managers arrangement that has one or more QS Investors Managed Sleeves, QS Investors may or may not receive a separate fee for managing such QS-Managed Sleeves in addition to the advisory fee it receives for providing services to the account as a whole.

Please see Item 10 (Other Financial Industry Activities and Affiliations) of this Brochure for a discussion of conflicts of interest faced by QS Investors related to Underlying Manager fees in a Manager-of-Managers arrangement.

TRANSITION-RELATED COSTS IN FUND-OF-FUNDS AND MANAGER-OF-MANAGERS ARRANGEMENTS

In connection with a transition from one Underlying Fund or Underlying Manager to another as a result of a QS Investors' replacement decision, a client may temporarily hold a basket of securities (e.g., due to an Underlying Fund's satisfaction of a redemption out of such fund on an in-kind basis) during the transition period. In such event, QS Investors will seek to liquidate the securities received as soon as practicable unless the successor Underlying Fund or the successor Underlying Manager indicates that it is willing to accept such securities. The transaction costs associated with such liquidation, as well as any market impact on the value of the securities being liquidated, will be borne by the client.

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

Performance-Based Fees

QS Investors manages accounts subject to performance-based fees in addition to or instead of standard asset-based fees. By managing accounts subject to performance-based fees alongside standard fee-based accounts, the Firm and its portfolio managers face certain inherent conflicts. In particular:

- A portfolio manager could be incentivized to allocate more attractive investment opportunities to accounts that generate performance fees versus those that generate standard fees;
- A portfolio manager could take undue risk in accounts that generate performance fees with an aim to inflate performance;
- A portfolio manager whose compensation is heavily correlated to performance could take on excessive risk with an aim to inflate performance; and/or
- The Firm would benefit from assigning higher value to securities in accounts that generate performance fees.

QS Investors' quantitative investment process and operational procedures are reasonably designed and effectively implemented to ensure that all accounts are treated fairly regardless of fee structure and to ensure that performance fee-based arrangements do not influence the allocation of investment opportunities among clients. Please see Item 12 (Brokerage Practices) of this Brochure for a description of QS Investors' trade aggregation and allocation procedures.

In addition, the Firm's investment professionals are not compensated based on the performance of specific accounts, but rather on the performance of their team across applicable products, as well as their individual contributions to research, risk management, client service, and new business development.

To mitigate potential conflicts of interest in regard to pricing of securities, QS Investors has formal pricing policies and procedures for valuing account assets in instances when market prices are either unavailable or deemed to be unreliable.

Side-by-Side Management

Each of QS Investors' investment strategies are managed by a team of portfolio managers. As such, portfolio managers simultaneously manage multiple types of accounts for multiple clients. Accounts within a given investment strategy or across strategies that charge higher or lower fees than other accounts can present conflicts similar to those previously addressed under "Performance-Based Fees". As mentioned above, QS Investors has attempted to lessen this risk by, among other things, compensating investment professionals based on the performance of their team across the team's products rather than based on the performance of specific accounts, in addition to other factors.

QS Investors provides investment advisory services to a variety of clients using various investment strategies. The Firm may give different advice, take different action or time trades differently for different accounts depending on circumstances and objectives unique to each client and/or account. Although QS Investors seeks to ensure that client accounts managed using similar investment strategies have similar portfolio characteristics, the Firm does not typically "clone" accounts by constructing multiple accounts with identical holdings. It is important to note that accounts with similar investment objectives may be managed differently at times, which will generally lead to a difference in performance. While the same investment practices are generally applied to all accounts within a given strategy, investment decisions are made specifically to meet the unique objectives

of each client. Differences in clients' investment objectives, risk tolerance, investment guidelines, available funds, or other restrictions/prohibitions will likely lead to different investment decisions, and ultimately different performance, even among similar accounts within the same strategy. Please see Item 12 (Brokerage Practices) of this Brochure for more detail on controls reasonably designed to ensure fair and equitable treatment of all client accounts.

For a variety of reasons, QS Investors may simultaneously recommend the sale of a particular security for one account while recommending its purchase for another. For example, if the Firm needs to raise cash for a redemption or withdrawal in a particular account, QS Investors could elect to sell a security that is classified as a "buy" by the Firm's investment process.

Certain of QS Investors' investment professionals manage long-only accounts alongside accounts that buy securities both long and short ("side-by-side management arrangements"). When side-by-side management arrangements exist, there are likely to be instances in which QS Investors holds a long position in a security in one account while holding the same security short in another account (or vice versa). Selling a security short may result in a decrease of its value; conversely, purchasing a security may result in an increase in its value.

Occasionally, QS Investors may purchase a security in long-only accounts on the same day the Firm executes an opposite transaction by selling it short in other accounts, or vice versa. The stock selection models, risk controls, and portfolio construction rules used for client accounts in a particular investment strategy can differ from those used for accounts in other strategies, including accounts that hold short positions. As a result, securities may be viewed differently for different investment strategies, and the timing of trades may differ. For example, for risk control purposes, a long-only account could hold an underweight position in a particular security relative to its benchmark despite its "sell" classification because it is a large benchmark constituent; underweighting the security expresses the model's negative return expectation for the security. At the same time, QS Investors may express its negative view of the security in a different account by taking a short position where permitted. The Firm believes that with its risk controls, it is possible for different accounts managed under different investment strategies to both benefit by holding opposite positions in the same security.

Since certain client positions would be conflicted under these arrangements, QS Investors has implemented policies and procedures specifically designed to address side-by-side management arrangements that are reasonably designed to ensure that all of the Firm's clients are treated fairly and equitably. QS Investors' compliance personnel ("Compliance") review opposite transactions and positions in the same securities for validity and will obtain justification from the appropriate investment team, if necessary. Compliance also reviews opposite transactions to ensure that there are no inadvertent cross transactions. In addition, they periodically review account performance dispersion to ensure that no strategies or accounts, including those paying performance fees, receive or appear to receive preferential treatment or are being systematically disadvantaged.

Item 7 – Types of Clients

QS Investors manages separate accounts for both institutional and retail clients. QS Investors provides (or has provided) investment advisory and sub-advisory services to a variety of client types, including but not limited to:

- Individuals, including High Net Worth (“HNW”) Individuals
- Corporations;
- Pension and profit-sharing plans;
- Taft-Hartley plans;
- Insurance companies;
- Charitable organizations;
- Endowments and foundations;
- State, local, and foreign government entities, including sovereign funds;
- Registered investment companies, including mutual funds and ETFs;
- Foreign funds, such as Undertakings for Collective Investment in Transferable Securities (“UCITS”) and Specialized Investment Funds (“SIFs”);
- Collective trusts;
- Private investment funds, including hedge funds;
- Section 529 college savings plans; and
- Other U.S. and international institutions.

Managed Account Programs

Discretionary model-based and LMPPG-implemented program clients include individuals as well as various types of institutional clients.

Non-discretionary model-based program clients include banks, broker-dealers or other investment advisers that use our services to assist them in managing their own underlying clients. Neither LMPPG nor QS Investors have an advisory relationship with these underlying clients.

Conditions for Opening or Maintaining an Account

Depending on the nature of the services to be provided, QS Investors generally requires a minimum dollar value of AUM of \$25 million as a condition for opening or maintaining an account. However, the minimum account size requirement can be waived and/or changed at QS Investors’ discretion. Prospective separate account clients must execute advisory contracts with QS Investors that stipulate the terms of service and fees.

The minimum investment amount that applies to, or in the case of non-discretionary programs, is recommended for, managed account programs is generally \$25,000. LMPPG and QS Investors, in consultation with the sponsor, can choose to waive the account minimum or establish higher or lower minimums under a particular managed account program.

Multi-asset class portfolios with allocations to separately managed portfolios of individual securities will generally have significantly higher investment minimums than \$25,000.

The investment minimums and investor qualifications for the commingled funds QS Investors manages or sub-advises are specified in their governing documents. Institutional clients, qualified investors, accredited investors, retail investors, and some QS Investors employees are eligible to invest in some of these commingled funds. Prospective commingled fund investors must execute subscription or similar agreements binding them to the terms stipulated in the governing documents.

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

Methods of Analysis and Investment Strategies

QS Investors offers different investment strategies managed utilizing its proprietary quantitative investment models. These models use financial data provided through databases licensed from multiple vendors. QS Investors' portfolio construction process incorporates multiple levels of risk control. The Firm optimizes portfolios using a multifactor risk model. All trades are reviewed by at least two portfolio managers for risk control purposes before they are released for execution.

The following is a brief description of certain of the institutional investment strategies offered by QS Investors:

GLOBAL EQUITIES

U.S. Equity (Active Factor Investing)

Strategies include: U.S. Large Capitalization, U.S. Large Capitalization Enhanced, U.S. Mid Capitalization and U.S. Small Capitalization

In its active factor investing strategies, QS Investors uses disciplined, systematic techniques based on traditional fundamental analysis to objectively score the relative attractiveness of an investable universe of liquid stocks daily. These strategies are characterized by rigorous, bottom-up stock selection, integrated risk control, and cost-efficient trading, resulting in well diversified and style neutral portfolios, with moderate active positions versus the benchmark.

QS Investors constructs an investable stock universe for these strategies by screening all listed securities within the appropriate asset class according to criteria related to trade volume, analyst coverage, and availability of reliable company data. For each strategy, the Firm scores the relative attractiveness of all stocks in its investable universe every day across certain fundamentally based categories known as "dimensions." These dimensions fall into broader categories based on either valuation or sentiment. Valuation-oriented dimensions assess value and cash flow, while sentiment-oriented dimensions assess earnings, growth, expectations, and behavioral characteristics. Each dimension includes multiple measures of attractiveness called "factors." QS Investors' factor library includes both traditional and proprietary measures that its research indicates are predictive of excess return. Since not all factors work in all sectors and markets or at all times, QS Investors applies them selectively based on periodic retesting. The objective is to use only those factors that are deemed most predictive at a particular time and are least correlated with other factors.

The Firm scores each stock from multiple viewpoints. These scores represent various investment perspectives and are typically based on several of the following considerations: sector, country, region, investment style (such as growth and value), and market capitalization. By incorporating diverse perspectives in our scores, QS Investors seeks to develop a more complete picture of each stock's relative attractiveness. The buy and sell ranges within this scoring structure vary by investment strategy. Subject to market environment and risk controls, QS Investors generally purchases stocks scored as "buys" and sell stocks scored as "sells." However, for purposes of risk management, the Firm typically holds positions in securities that are significant benchmark constituents regardless of score. Sector, country, and region allocation decisions are made using proprietary models and the insights of the investment team.

These strategies also seek long-term capital growth by investing in common stocks that the investment team believes are mispriced. Each of these strategies seeks to outperform their respective benchmark index regardless

of the market environment. Generally, the strategies seek to add value over a full market cycle of three to five years.

Managed Volatility Equity

Strategies include: U.S. Large Capitalization Managed Volatility, U.S. Small Capitalization Managed Volatility, Global Managed Volatility, Global Managed Volatility Enhanced, International Managed Volatility, European Managed Volatility, UK Managed Volatility, Emerging Markets Managed Volatility, Asia Pacific ex-Japan Managed Volatility

QS Investors' Managed Volatility strategies are designed to provide a strong yield component while seeking to achieve superior risk-adjusted returns versus the market. Designed to offer downside protection and upside return potential, these strategies use diverse risk perspectives, including a fundamental view, and invest only in stocks that are expected to pay dividends.

Low Volatility High Dividend

Strategies include: U.S. Low Volatility High Dividend, International Low Volatility High Dividend

QS Investors' Low Volatility High Dividend strategies use a "passive" or indexing investment approach to achieve its investment objective. The strategy is designed to track the investment results of a particular index which seeks to provide more stable income through investments in stocks of profitable companies with relatively high dividend yields and lower price and earnings volatility. The index is based on a proprietary methodology created and sponsored by QS Investors. Stocks in the index must have demonstrated profitability over the last four fiscal quarters as a whole. Stocks whose yields are not supported by earnings are excluded from the index. The index's components are reconstituted annually and rebalanced quarterly. The index is designed to provide a strong yield component while seeking to achieve superior risk-adjusted returns versus the market. Please see Item 10 (Other Financial Industry Activities and Affiliations) of this Brochure for additional information relating to the Firm's use of self-indexing.

This strategy is also offered as a Managed Account Program. Please see additional discussion below in *Managed Account Programs*.

Global Equity (Active Factor Investing)

Strategies include: Global Opportunistic, Global ESG, Global Inflation-Sensitive, Global Small Capitalization, Global Dynamic Long/Short

These strategies use a bottom-up, core investment process, similar to that which is described above under *U.S. Equity (Active Factor Investing)*.

QS Investors' ESG strategy is designed to identify relatively attractive stocks that meet client-specific requirements related to environmental, social and governance issues. This strategy integrates QS Investors' fundamentally-based stock selection model with a proprietary ESG model that uses positive screening methodology incorporating multiple factors pertaining to ESG considerations such as human rights, product safety and environmental strategy.

QS Investors' Global Inflation-Sensitive Equity strategy is designed to identify the sectors and securities that are expected to do best in specific inflationary environments. This strategy combines bottom-up stock selection with top-down inflationary regime positioning within a broad global equity universe. This product is managed using selection criteria sensitive to Consumer Price Index measures.

International Equity (Active Factor Investing)

Strategies include: International, International Small Capitalization

These strategies use a bottom-up, core investment process, similar to that which is described above under *U.S. Equity (Active Factor Investing)*.

Diversification-Based Investing ("DBI")

Strategies include: DBI Global, DBI International (EAFE), DBI Emerging Markets, DBI World ex-Australia, DBI ACWI Plus ex-Australia

QS Investors' DBI strategies seek to take advantage of macro and behavioral inefficiencies in various markets by developing a diversified exposure to countries and sectors. DBI focuses purely on top-down allocations rather than bottom-up stock selection and uses analysis of country and sector correlations to determine weights of stocks.

The strategy is based on three key beliefs:

- Geography and sectors are the primary drivers of global equity risk and return;
- Market sentiment can lead to momentum effects that cause concentration risk in equity markets that tend to build and collapse; and
- A more diversified portfolio can help avoid concentration risk and lessen downside risk.

DBI is implemented and offered through regional mandates. The investment objective of these strategies is to seek higher risk-adjusted returns over a market cycle with less downside risk and low correlation to other managers.

LIQUID ALTERNATIVES

The Liquid Alternatives platform is comprised of products that have daily liquidity and exposure to alternative asset classes. These products target absolute returns with low correlation to major traditional asset classes which seek to help investors diversify across multiple asset classes. The platform includes two strategies:

Global Market Neutral Equity

The Global Market Neutral Equity strategy seeks capital appreciation independent of stock market direction. The strategy aims to maintain zero beta exposure (i.e., achieve overall market neutrality thereby limiting the effects of global stock market movements on overall performance) by investing in long and short positions throughout the world in approximately equal dollar amounts and sizes. The strategy seeks to outperform the FTSE 3-Month U.S. Treasury Bill Index.

Global Tactical Asset Allocation ("GTAA")

GTAA seeks to identify and take advantage of perceived mispricing in global equity, debt, currency, and commodity markets. A risk budgeting process balances short-term sentiment, medium-term cyclical, and long-term valuation ideas. The strategy can invest globally in long and short positions in exchange-traded sovereign debt futures, equity index futures, commodity futures, currency forwards, and swaps and can be customized to meet individual client objectives and needs.

CUSTOMIZED SOLUTIONS

The Customized Solutions platform employs a range of tools to create investment products that are designed to meet clients' specific needs. Accounting for each client's investment objectives and risk tolerance, QS Investors uses proprietary tools and methodologies that systematically combine quantitative, qualitative, and behavioral analysis to provide dynamic portfolios that respond to changing market conditions and opportunities. The platform can be implemented through either discretionary or non-discretionary arrangements, and the products may invest in mutual funds and ETFs and take both long and short positions in futures and currency forward contracts. Examples of Customized Solutions include:

Multi-Asset Allocation

The Multi-Asset Allocation strategy is designed to enhance returns and proactively manage risk through intelligent allocation across a broad spectrum of asset classes. The strategy gains exposure to these asset classes by investing in mutual funds, ETFs, futures, and other instruments. QS Investors' proprietary forecasting module integrates economic outlooks, market equilibrium, and tactical signals to derive return forecasts from investable assets across various time horizons, mapping out an efficient frontier between the probability of meeting objectives and downside risk.

Certain of these strategies are implemented as Fund-of-Funds and Manager-of-Managers arrangements and invest in funds or assets managed by QS Investors or QS Investors Affiliates. Please see the sections "Asset Allocation and Manager/Fund Selection Advisory Services" and "QS-Managed Sleeves and QS-Advised Funds" below and Item 5 (Fees and Compensation), Item 10 (Other Financial Industry Activities and Affiliations), Item 11 (Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading), and Item 14 (Client Referrals and Other Compensation) of this Brochure for a discussion of the conflicts of interest faced by QS Investors related to fees received by QS Investors and QS Investors Affiliates from QS-Advised Funds, Affiliated Funds and Non-Affiliated Funds and from Underlying Managers.

Risk Management Advisory Services

Target Risk strategies seek to offer attractive returns over time matched with the risk preference and tolerance of investors through exposure to a diversified set of asset classes. Exposure to asset classes is varied over time and rebalanced to a target on a regular basis in response to changes in market conditions and returns in the different asset classes.

Target Date strategies seek attractive returns over time but have maturity date objectives typically linked to a life event, such as retirement. The risk level of a Target Date strategy is intended to vary over time and decrease as the maturity date approaches to seek to minimize potential losses as the life event approaches. QS Investors seeks to achieve this decrease in risk target through shifting exposures to different asset classes that generally have lower volatility and/or have historically performed well when other assets underperform.

With respect to certain client accounts, QS Investors may implement a combination of risk management strategies that attempt to reduce downside volatility within the client accounts.

These risk management strategies typically attempt to limit losses by allocating account assets away from equity and long-term instruments and into short-term defensive instruments that are expected to decline in value less than riskier assets in the event of market declines. In addition, QS Investors maybe authorized to invest account assets in index options and futures contracts that are expected to increase in value in the event of market declines. In response to certain levels of negative account performance, QS Investors may deviate from the account's target allocation by increasing the account's exposure to short-term defensive instruments ("de-risking") based on certain proprietary formulas that take into account specific measures such as the account's

value, macro-economic conditions, and the account's underlying volatility. QS Investors, in its discretion, determines the levels and timing for risk management. If QS Investors determines that de-risking is no longer appropriate, it will reverse the process by selling short-term defensive instruments and purchasing equity funds and long-term fixed income funds in accordance with the account's target allocation.

In certain accounts we allocate a portion of assets to a portfolio which invests a small portion of account assets in options and futures contracts that are expected to increase in value in the event of declines in the broad equity and bond markets. QS Investors determines the amount of the account's assets to allocate to this strategy subject to applicable account guidelines. QS Investors typically uses the services of an Affiliated Manager, Western Asset Management Company, to implement the strategy on behalf of a client account.

In response to adverse market, economic or political conditions, or in other similar circumstances, QS Investors generally reserves the right to take temporary defensive positions in money market funds, repurchase agreements, or cash.

MANAGED ACCOUNT PROGRAMS

Certain strategies offered by QS Investors are made available to managed account clients as described below. Each of the programs seek to achieve their objectives by investing in Affiliated Funds and Non-Affiliated Funds and Separately Managed Accounts ("SMAs") managed by QS Investors or QS Investors Affiliates. For current allocations for each of the programs described below, contact the program sponsor.

INVESTING IN THESE STRATEGIES, LIKE ANY INVESTMENT, INVOLVES THE RISK OF LOSS, INCLUDING THE POTENTIAL LOSS OF THE ENTIRE INVESTMENT. ADDITIONAL INFORMATION ABOUT RISKS SPECIFIC TO TYPES OF SECURITIES, STRATEGIES, AND TECHNIQUES USED BY QS INVESTORS ARE DISCUSSED IN THE *RISK OF LOSS AND OTHER RISKS* SECTION OF THIS BROCHURE. NOT ALL SECURITIES, STRATEGIES AND TECHNIQUES REFERENCED IN THE *RISK OF LOSS AND OTHER RISKS* SECTION OF THIS BROCHURE APPLY TO ALL QS INVESTORS STRATEGIES AND MANAGED ACCOUNT PROGRAMS.

FOR STRATEGIES THAT INVEST IN MUTUAL FUNDS AND/OR ETFs, WHILE QS INVESTORS MAY ACCEPT DELIVERY OF THE PROSPECTUSES FOR THE FUNDS AND ETFs IN WHICH THE STRATEGIES INVEST ON BEHALF OF A CLIENT IN CONNECTION WITH ITS ONGOING PROVISION OF DISCRETIONARY INVESTMENT MANAGEMENT SERVICES, THE CLIENT IS RESPONSIBLE FOR OBTAINING AND REVIEWING THE PROSPECTUS FOR THE FUNDS AND/OR ETFs IN CONNECTION WITH THE SELECTION OF THE MANAGED ACCOUNT PROGRAM. A CLIENT SHOULD OBTAIN THE PROSPECTUSES FROM THE PROGRAM SPONSOR. PLEASE REFER TO THE FUNDS' PROSPECTUSES FOR INFORMATION CONCERNING THE RISKS APPLICABLE TO THE FUND(S)/ETF(S). FOR STRATEGIES THAT INVEST IN SMAs MANAGED BY QS INVESTORS OR ONE OF OUR AFFILIATES, PLEASE REFER TO THE FORM ADV BROCHURE FOR EACH ADVISER FOR AN SMA STRATEGY INCLUDED IN THE PORTFOLIO FOR INFORMATION CONCERNING THE RISKS APPLICABLE TO THE SMA, WHICH ARE AVAILABLE FROM THE PROGRAM SPONSOR.

MULTI-ASSET CLASS AND MULTI-MANAGER PORTFOLIOS DESCRIBED BELOW ARE SUBJECT TO CERTAIN RISKS IDENTIFIED IN THE *RISK OF LOSS AND OTHER RISKS* SECTION OF THIS BROCHURE, INCLUDING "RISKS ASSOCIATED WITH QS INVESTORS' ASSET ALLOCATION AND FUND/MANAGER SELECTION ADVISORY SERVICES" AND "RISKS ASSOCIATED WITH INVESTMENT IN FUNDS INSTEAD OF DIRECTLY IN SECURITIES AND OTHER INVESTMENTS". PLEASE REFER TO *RISK OF LOSS AND OTHER RISKS* FOR INFORMATION CONCERNING THESE RISKS.

PLEASE REFER TO ITEM 10 (OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS) OF THIS BROCHURE FOR ADDITIONAL INFORMATION ABOUT CONFLICTS OF INTEREST ASSOCIATED WITH INVESTMENTS IN FUNDS OR OTHER VEHICLES MANAGED BY QS INVESTORS AND/OR OUR AFFILIATES.

QS Low Volatility High Dividend

QS Investors' Low Volatility High Dividend strategy uses a "passive" or indexing investment approach to achieve its investment objective. The strategy is designed to track the investment results of a particular index which seeks to provide more stable income through investments in stocks of profitable companies with relatively high dividend yields and lower price and earnings volatility. The index is based on a proprietary methodology created and sponsored by QS Investors. Stocks in the index must have demonstrated profitability over the last four fiscal quarters as a whole. Stocks whose yields are not supported by earnings are excluded from the index. The index's components are reconstituted annually and rebalanced quarterly. The index is designed to provide a strong yield component while seeking to achieve superior risk-adjusted returns versus the market. Please see Item 10 (Other Financial Industry Activities and Affiliations) of this Brochure for additional information relating to the Firm's use of self-indexing.

Legg Mason Alternative Completion

The Legg Mason Alternative Completion Portfolio is a global allocation strategy that seeks to complement traditional equity and fixed income by investing in alternative mutual funds and ETFs that offer more flexibility than traditional investment constraints. The Portfolio combines non-traditional fixed income and equity strategies that have low correlation to each other into a single strategy that seeks to provide return potential regardless of market direction.

The Portfolio's asset allocation of the strategy is generally reviewed and adjusted on an annual basis.

Legg Mason Diversified Income

The Legg Mason Diversified Income Portfolio is a multi-asset strategy that allocates to mutual funds and ETFs to gain exposure to a variety of income sources. The strategy utilizes a dynamic asset allocation approach to seek to maximize income and maintain diversification within a defined risk range. The Portfolio employs a mix of assets to seek out a sustainable level of income from a variety of asset classes and risk factors.

The Portfolio's asset allocation is generally reevaluated semiannually and adjusted based on the assets' changing risk and yield characteristics.

Legg Mason Strategic Real Return

The Legg Mason Strategic Real Return Portfolio combines tactical asset allocation and a broad range of asset classes to seek to hedge against increases in U.S. inflation and achieve long-term real return. The Portfolio allocates its assets among mutual funds and ETFs that the adviser believes generally complement each other and have various inflation-hedging qualities as determined by QS Investors.

The Portfolio's strategic asset allocation is generally reviewed and adjusted on an annual basis.

Legg Mason ESG Global Equity

The Legg Mason ESG Global Equity Portfolio is a diversified equity portfolio which allocates to an optimized combination of actively managed ESG-focused mutual funds and ETFs. The Portfolio provides balanced exposure across growth, high dividend, low volatility, international and emerging market equities. The result is a complementary portfolio of diversified equities emphasizing ESG investment criteria.

The Portfolio's strategic asset allocation is generally reviewed and adjusted on an annual basis.

Legg Mason Diversified Risk Portfolios

Legg Mason Diversified Risk Portfolios: Aggressive; Growth; Moderate Growth; Conservative Growth; Conservative; Fixed Income

The Legg Mason Diversified Risk Portfolios are asset allocation models that offer six risk-based Portfolios that seek to produce portfolio returns in line with risk and return objectives by investing in mutual funds and ETFs. The six risk-based models combine actively managed and passive strategies with equity and fixed income levels ranging between 0% and 100%. The Portfolios typically include an allocation to alternative investments. The six risk-based Portfolios include a tactical allocation component that reallocates assets to take advantage of shorter-term opportunities in the market.

The Portfolios' strategic asset allocation is generally reviewed and adjusted on an annual basis.

<u>Risk Level</u>	<u>Legg Mason Diversified Risk Portfolios</u>
Aggressive	Generally targets 90% equity exposure
Growth	Generally targets 80% equity exposure
Moderate Growth	Generally targets 60% equity exposure
Conservative Growth	Generally targets 40% equity exposure
Conservative	Generally targets 70% fixed income exposure
Fixed Income	Generally targets 90% fixed income exposure

Legg Mason Global Growth and Income

The Legg Mason Global Growth and Income Portfolio is a diversified multi-asset portfolio which allocates to an optimized combination of ETFs in order to meet its objectives of balancing growth, income, and portfolio risk. The Portfolio provides balanced exposure across growth, value, infrastructure, international and emerging market equities and fixed income securities. The result is a diversified portfolio that seeks to pay a higher than benchmark income while seeking growth at a reasonable risk level.

The Portfolio's strategic asset allocation is generally reviewed and adjusted on an annual basis.

Legg Mason Multi-Manager HNW Portfolios

Legg Mason Multi-Manager HNW Portfolios: 90/0/10; 80/10/10; 70/20/20; 60/30/10; 50/40/10

The Legg Mason Multi-Manager HNW Portfolios are a suite of asset allocation models that offer five risk-based multi-asset Portfolios that seek to produce portfolio returns in-line with their stated risk and return objectives by investing in SMAs, mutual funds, and ETFs. The five risk-based models utilize actively managed strategies with equity and fixed income levels ranging between 0% and 90%. The Portfolios also include a 10% allocation to strategies categorized as liquid alternative investments. The portfolios provide investors exposure to a diversified range of assets and factors including equity value, equity growth, low-volatility equity, equity dividends, international equity, emerging markets equity, credit, and interest rate duration.

The Portfolios' strategic asset allocation is generally reviewed and adjusted on an annual basis.

<u>Risk Level</u>	<u>Legg Mason Multi-Manager HNW Portfolios</u>
90/0/10	Generally targets 90% equity exposure
80/10/10	Generally targets 80% equity exposure
70/20/10	Generally targets 70% equity exposure
60/30/10	Generally targets 60% equity exposure
50/40/10	Generally targets 50% equity exposure

Legg Mason Multi-Manager HNW ESG Equity Portfolio

The Legg Mason Multi-Manager HNW ESG Equity Portfolio is a diversified equity portfolio which allocates to an optimized combination of actively managed ESG-focused SMAs. The Portfolio provides balanced exposure across growth, value, international and emerging market equities. The result is a complementary portfolio of diversified equities emphasizing ESG investment criteria.

The Portfolio's strategic asset allocation is generally reviewed and adjusted on an annual basis.

Legg Mason Diversified Risk ESG Portfolios

Legg Mason Diversified Risk ESG Portfolios: Aggressive; Growth; Moderate Growth; Conservative Growth; Conservative; Fixed Income

The Legg Mason Diversified Risk ESG Portfolios are asset allocation models that offer six risk-based Portfolios that seek to produce portfolio returns in line with risk and return objectives by investing in mutual funds and ETFs that meet specific ESG criteria. The six risk-based models combine actively managed and passive strategies with equity and fixed income levels ranging between 0% and 100%. The Portfolios are able to include an allocation to alternative investments. The six risk-based Portfolios may incorporate a tactical allocation component that reallocates assets to take advantage of shorter-term opportunities in the market. All underlying strategies in the universe must meet certain ESG criteria.

The Portfolios' strategic asset allocation is generally reviewed and adjusted on an annual basis, while the universe of strategies is reviewed semiannually to ensure ESG standards are met.

<u>Risk Level</u>	<u>Legg Mason Diversified Risk ESG Portfolios</u>
Aggressive	Generally targets 100% equity exposure
Growth	Generally targets 80% equity exposure
Moderate Growth	Generally targets 60% equity exposure
Conservative Growth	Generally targets 60% fixed income exposure
Conservative	Generally targets 80% fixed income exposure
Fixed Income	Generally targets 100% fixed income exposure

Legg Mason Diversified Risk Trust Portfolios

Legg Mason Diversified Risk Trust Portfolios: Aggressive Growth; Capital Growth; Growth and Income; Balanced; Conservative Growth; Capital Preservation; Core Fixed Income; Tax-Aware Fixed Income

The Legg Mason Diversified Risk Portfolios are asset allocation models that offer eight risk-based Portfolios that seek to produce portfolio returns in line with their stated risk and return objectives by investing in mutual funds and ETFs. The eight risk-based models combine actively managed and passive strategies with equity and fixed income levels ranging between 0% and 100%. The Portfolios typically include an allocation to alternative investments and a dedicated allocation to income generating active holdings. The eight risk-based Portfolios include a tactical allocation component that tilts assets to take advantage of shorter-term opportunities in the market.

The Portfolios' strategic asset allocation is generally reviewed and adjusted on an annual basis.

<u>Risk Level</u>	<u>Legg Mason Diversified Risk Trust Portfolios</u>
Aggressive Growth	Generally targets 97% equity exposure
Capital Growth	Generally targets 75% equity exposure
Growth and Income	Generally targets 60% equity exposure
Balanced	Generally targets 50% equity exposure

Conservative Growth	Generally targets 55% fixed income exposure
Capital Preservation	Generally targets 72% fixed income exposure
Core Fixed Income	Generally targets 100% fixed income exposure
Tax-Aware Fixed Income	Generally targets 100% fixed income exposure

Legg Mason Diversified Risk ESG Small Account Solutions

Legg Mason Diversified Risk ESG Small Account Solutions: Aggressive; Growth; Moderate Growth; Conservative Growth; Conservative; Fixed Income

The Legg Mason Diversified Risk ESG Small Account Solutions are asset allocation models that offer six risk-based Portfolios that seek to produce portfolio returns in line with risk and return objectives by investing in mutual funds and ETFs that meet specific ESG criteria, subject to a 5% minimum allocation to an individual mutual fund or ETF. The six risk-based models combine actively managed and passive strategies with equity and fixed income levels ranging between 0% and 100%. The Portfolios are able to include an allocation to alternative investments. The six risk-based Portfolios may incorporate a tactical allocation component that reallocates assets to take advantage of shorter-term opportunities in the market. All underlying strategies in the universe must meet certain ESG criteria.

The Portfolios' strategic asset allocation is generally reviewed and adjusted on an annual basis, while the universe of strategies is reviewed semiannually to ensure ESG standards are met.

<u>Risk Level</u>	<u>Legg Mason Diversified Risk ESG Small Account Solutions</u>
Aggressive	Generally targets 100% equity exposure
Growth	Generally targets 80% equity exposure
Moderate Growth	Generally targets 60% equity exposure
Conservative Growth	Generally targets 60% fixed income exposure
Conservative	Generally targets 80% fixed income exposure
Fixed Income	Generally targets 100% fixed income exposure

Asset Allocation and Manager/Fund Selection Advisory Services

QS Investors provides asset allocation and manager or fund selection advisory services to a variety of clients with multi-asset class portfolios. As an adviser to Multi-Manager Investments, QS Investors determines or recommends allocations to various Underlying Funds or Managers and provides investment advice with respect to the acquisition, holding and disposition of such Underlying Funds' shares or in the case of managers, selection, retention, and termination of Underlying Managers. The investment analysis method adopted by QS Investors with respect to its provision of asset allocation and manager or fund selection advisory services generally involves quantitative analysis with an awareness of market behavior. This analysis also includes a proprietary analysis of macroeconomic factors and their relationships with equity earnings, equity valuations, interest rates, fixed income valuations, monetary policy and economic growth. Such analysis is viewed within a context of current market conditions (i.e., price movement, fund flows and overall market sentiment).

The investment analysis performed by QS Investors is based on a broad range of macroeconomic, financial and economic data, research, the performance of investment funds and related managers, political developments, monetary policy, forecasting and statistical information, risk measurement analysis, other types of performance analysis, and other information which can affect the economy and/or security prices. Such information is obtained from one or more of a variety of sources, including research materials prepared by other firms,

regulatory filings with the SEC (including prospectuses and annual reports), and corporate rating services. QS Investors also uses its own proprietary research and information from visits or communications with investment advisers to Underlying Funds and Underlying Managers. QS Investors also utilizes analytical and statistical software to analyze and compare potential strategic asset allocations and potential combinations of funds or managers.

QS Investors' advisory services with respect to the selection and retention of Underlying Funds and Underlying Managers are based on both quantitative and qualitative assessments. Quantitative assessments typically include a performance attribution analysis for the applicable sources of investment return, a statistical analysis of historical returns and portfolio characteristics, and additional financial and economic analyses. Qualitative assessments typically include a review of the background and qualifications of key investment personnel, investment processes, organizational stability and business changes, client service resources, compliance procedures and risk controls, regulatory filings, due diligence discussions, and periodic on-site visits. QS Investors may invest in Underlying Funds, including QS-Advised Funds and Affiliated Funds, that have a limited operating and performance history where QS Investors determines that such investment is consistent with the Fund-of-Fund's investment objectives.

In response to adverse market, economic or political conditions, or in other similar circumstances, QS Investors reserves the right to take temporary defensive positions in money market funds, repurchase agreements, or cash.

QS-Managed Sleeves and QS-Advised Funds

In certain multi-asset class portfolios, QS Investors also serves as an Underlying Manager for a Sleeve of a client account structured as a Manager-of-Managers arrangement or as a manager or adviser to an Underlying Fund.

Where QS Investors serves as an Underlying Manager with respect to a QS-Managed Sleeve or as manager or adviser to a QS-Advised Fund, QS Investors uses a variety of quantitative and fundamental asset allocation, analytical, and investment techniques to select portfolio investments, consistent with the client's investment objectives, guidelines and risk tolerance. Such techniques generally take into account various macroeconomic factors including QS Investors' expectations for monetary policy and for economic growth, as well as analysis of valuation trends in equity and fixed income markets; are designed to take advantage of macro and behavioral inefficiencies in markets by focusing on top-down asset allocations and by using analysis of country and sector correlations; or are designed to take advantage of pricing inefficiencies in individual stocks by employing bottom-up stock selection and the scoring of the relative attractiveness of all stocks in an investable universe every day. The investment techniques used can also involve a blend of the techniques described above or involve other customized methods designed to meet clients' specific needs.

The investment analysis performed by QS Investors as Underlying Manager of a QS-Managed Sleeve or as manager or adviser to a QS-Advised Fund will differ based on the investment mandate. For certain investment strategies, the investment analysis may be based on a broad range of macroeconomic, financial and economic data, research, news and related commentary, including information on global and regional economies, the performance of investment funds and related managers, political developments, monetary policy, forecasting and statistical information, risk measurement analysis, other types of performance analysis, and other information which can affect the economy and/or security prices. Such information is obtained from one or more of a variety of sources, including databases licensed through multiple vendors, QS Investors' own proprietary research, research materials prepared by other firms, regulatory filings with the SEC (including prospectuses and annual reports), and corporate rating services. QS Investors also utilizes analytical and statistical software to analyze and compare potential investments in QS-Managed Sleeves.

Where QS Investors serves as an Underlying Manager with respect to a QS-Managed Sleeve or as manager or adviser to a QS-Advised Fund, QS Investors will generally invest client assets in some combination of equity and fixed income securities, ETFs, other investment companies, exchange-traded notes, master limited partnerships, structured notes, and derivative instruments, such as swaps, forwards, futures and options.

ETFs and other investment companies in which QS Investors invests assets in a QS-Managed Sleeve or QS-Advised Fund can include, without limitation, ETFs and investment companies that hold commodity-linked investments, hold equity securities issued by real estate investment trusts (“REITs”), vehicles that pursue “short” investment strategies such as seeking a return similar to the inverse, or a multiple of the inverse, of a reference index, and vehicles that pursue a futures-based momentum methodology in an attempt to track prices of commodity and financial futures contracts.

For some client accounts that are structured as Manager-of-Managers arrangements, QS Investors may invest client assets in a QS-Managed Sleeve in a manner designed to produce returns comparable to those of a particular benchmark index. In this process, QS Investors considers the index constituent securities as its investment universe and, using risk models and optimization software, determines the appropriate subset of securities in which to invest to minimize the tracking error to the relevant index. QS Investors generally will not engage in fundamental, company-specific security analysis with respect to securities purchased and sold as part of this process.

Transition Management

As noted in Item 5 (Fees and Compensation) of this Brochure, during a transition from one Underlying Fund or Underlying Manager to another, a client may temporarily hold a basket of securities. If a Fund-of-Funds or Manager-of-Managers client account holds, or is expected to hold, a substantial cash position during the transition from one Underlying Fund to another or from one Underlying Manager to another, QS Investors generally reserves the right to invest directly for the interim period in investments which are intended to track a market index or model basket of securities, including but not limited to index funds, ETFs, futures contracts, options on futures contracts, or other similar index-related derivatives.

Risk of Loss and Other Risks

RISK IN GENERAL

QS Investors utilizes various investment strategies and methods of analysis when managing client accounts. This section contains a discussion of the primary risks associated with the Firm’s various investment strategies; however, it is not possible to identify all of the risks associated with investing. The particular investment risks to which clients are subject will differ depending on the particular investment strategies or products in which they invest and the types of securities held.

While QS Investors seeks to manage accounts so that the risks are appropriate to the strategy, it is often not possible or desirable to fully mitigate risks. Any investment includes the risk of loss and there can be no guarantee that a particular level of return will be achieved. An investment is not a deposit in a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Past performance or any prediction or forecast is not a guarantee or indicative of future results. QS Investors cannot guarantee that the Firm will meet the investment objectives associated with any strategy or client account. Clients should understand that they could lose some or all of their investment and should be prepared to bear the risk of such potential losses.

Current and prospective clients should be aware of the common risks associated with QS Investors' investment strategies. The following explanations are not, and are not intended to be, a complete list of the risks associated with an investment. Commingled fund investors should also refer to appropriate governing documents and consult with their own advisors before deciding whether to invest.

GENERAL INVESTMENT AND PORTFOLIO RISKS AND RISKS RELATED TO EQUITY INVESTMENTS

Market Risk. The securities markets are volatile and market prices may decline generally. Securities fluctuate in price, sometimes rapidly or unpredictably, based on changes in a company's financial condition and overall market and economic conditions, such as real or perceived adverse economic or political conditions, inflation, changes in interest or currency rates, lack of liquidity in the markets or adverse investor sentiment. Long-only strategies, which do not use short selling and do not use other hedging techniques that could reduce the risks associated with a market downturn, are typically at greater risk of losing value during market declines than those accounts that are able to short stocks or otherwise use a hedging strategy to mitigate the effects of a market downturn.

As observed during the recent COVID-19 pandemic, a widespread public health event may result in restrictions on travel, temporary shuttering of various businesses, strained healthcare systems, disruptions to supply chains, consumer demand and employee availability, and widespread panic and uncertainty regarding the duration and long-term effects of a pandemic. In addition, a pandemic or other public health crisis, together with any intervening remedial measures, may result in or contribute to a sustained economic downturn or a global recession, domestic and foreign political and social instability, damage to diplomatic and international trade relations and increased volatility and/or decreased liquidity in the securities markets. Economies and financial markets throughout the world are increasingly interconnected, and as a result, whether or not an account invests in securities of issuers located in or with significant exposure to the countries directly affected, the value and liquidity of an account's investments may be negatively affected.

Equity Risk. Investments in common stock, which represents an equity interest in a company, may increase or decrease in value. The value of common stocks fluctuates over time based on the activities of an individual company, an industry or sector, the broader market, the economy, or any number of other factors. Values of the shares of common and preferred stock are based on the market's perceived value and may not reflect the actual earnings or book value of a company. The value of a company's stock may not always reflect the performance of the company. Even when a company performs well, the value of its stock may decrease.

Issuer/Security Risk. The value of a security can go up or down more than the market as a whole and can perform differently from the value of the market as a whole, often due to disappointing earnings reports by an issuer, unsuccessful products or services, loss of major customers, major litigation against the issuer, changes in government regulations affecting the issuer or the competitive environment, or investor sentiment. Accounts may experience substantial or complete losses on individual securities.

Liquidity Risk. Some securities may be difficult to sell, or be illiquid, particularly during times of market turmoil. Illiquid securities may also be difficult to value. While the investable universe for most of QS Investors' primary investment strategies includes only securities that meet certain liquidity requirements, illiquid securities may be purchased for or obtained by a client account from time to time. Furthermore, market liquidity may deteriorate, resulting in a holding that was previously liquid becoming illiquid. If a client account is forced to sell an illiquid asset to meet redemption requests or other cash needs, the client account may be forced to sell at a loss or at a price lower than QS Investors believes is appropriate. If a deteriorating security is unable to be sold because the market is illiquid, losses may be magnified.

On rare occasions, QS Investors may invest in restricted securities for some client accounts. QS Investors may not be able to sell these securities for a period of time (e.g., during a “lock-up period”) or may only be able to sell the securities in privately negotiated transactions, pursuant to a registration statement filed under the Securities Act of 1933, as amended (“1933 Act”), or pursuant to an exemption from registration, such as Rule 144 or Rule 144A under the 1933 Act. SEC regulations permit the sale of certain restricted securities only to investors that meet certain thresholds defined in the 1933 Act.

Investments in restricted and illiquid securities may restrict QS Investors ability to dispose of investments in a timely fashion and for a fair price as well as to take advantage of other market opportunities.

Concentration Risk. Some investment strategies may be less diversified than others in terms of region, country, sector, industry or issuer, which makes these strategies inherently riskier. Strategies investing solely in one country or region will often have greater exposure to specific economic cycles, stock market fluctuations, currency exchange rates, government actions and other country- or region-specific issues than more diversified strategies. Furthermore, a client account that concentrates investments in a smaller number of issuers will have a greater risk of loss from developments that negatively affect those issuers than a client account that invests in a greater number of issuers.

Style (Growth and Value Investing) Risk. Growth or value securities as a group may be out of favor and underperform the overall equity market while the market concentrates on other types of securities. Growth securities typically are very sensitive to market movements because their market prices tend to reflect future expectations. When it appears those expectations will not be met, the prices of growth securities typically fall. Growth securities may also be more volatile than other investments because they often do not pay dividends. The value approach to investing involves the risk that stocks may remain undervalued. An investment style (i.e., growth or value) may be out of favor with investors at any point in time which could result in the strategy underperforming other investment styles.

Market Capitalization Risk. Risks vary depending upon an issuer’s market capitalization. Strategies that invest primarily in one capitalization range (i.e., either large, mid or small cap stocks) take on the risk that one category may be out of favor in comparison to others.

Small Capitalization Stock Risk. Companies with smaller market capitalizations may be more vulnerable to adverse business or economic developments than larger, better-established companies and may have limited product lines, markets, or financial resources. Their stocks may be less liquid and more volatile than larger stocks or market averages in general and therefore generally involve greater risk than investing in the securities of larger companies.

Foreign Investment Risk. Foreign countries may have markets that are less liquid, less regulated and more volatile than in the United States. These countries may have economic, political or social instability and may experience negative government actions, such as currency controls or seizures of private businesses or property. Such events could significantly disrupt the financial markets in these countries and the ability of issuers there to repay their obligations. These events could also have a harmful impact on the securities of issuers located elsewhere who have significant exposure to issuers in the disrupted financial markets, and this could negatively affect the value and liquidity of an account’s investments. In addition, less information about issuers and markets is available in some foreign countries because of less rigorous accounting and regulatory standards than in the United States. As a result, investments in securities of foreign issuers may involve greater risk than investments in securities of U.S. issuers. Currency fluctuations could also erase investment gains or add to investment losses.

Emerging and Frontier Markets Investment Risk. Emerging markets, and frontier markets in particular, typically have economic and political systems that are less developed, and can be expected to be less stable, than those of more advanced countries. Legal systems in some emerging markets countries may be less developed than in developed markets. Laws regulating securities transactions and investor protection, and enforcement of these laws, may be inadequate, especially compared to the legal and regulatory framework in more developed markets.

Investing in emerging countries involves the risk of expropriation, nationalization, confiscation of assets and property or the imposition of restrictions on foreign investments and on repatriation of capital invested. Should such an event occur, investors could lose all or a portion of their investments in that country.

Certain emerging market countries restrict or control foreign investment in their securities markets to varying degrees. These restrictions may limit QS Investors' investment opportunities in those markets.

Several emerging countries have experienced substantial, and in some cases extremely high, rates of inflation. Inflation and rapid fluctuations in inflation rates may have very negative effects on the economies and securities markets of certain emerging countries.

Lower trading volumes in emerging markets may result in a lack of liquidity and increased price volatility. These markets may experience dramatic swings in the value of their currencies. There can be no assurance that currency instability or fluctuations will not occur and, if they do occur, that they will not have a material adverse effect on account performance.

Economies in emerging countries generally depend heavily upon international trade and, accordingly, may be affected adversely by the economic conditions of the countries with which they trade as well as trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by those countries.

Custodial and/or settlement systems may not be fully developed in certain emerging markets. Further, the assets of a client account that are traded in such markets and entrusted to sub-custodians may be exposed to risk under certain circumstances whereby the applicable client custodian will have limited or no liability.

The risks associated with investing in emerging markets could adversely affect account performance and result in substantial losses.

Foreign Currency Risk. The value of investments in securities denominated in foreign currencies increases or decreases as the exchange rates between those currencies and the U.S. dollar (or other base currency) change. Foreign currency exchange rates can be volatile and are affected by factors such as general economic conditions, the actions of the U.S. and foreign governments or central banks, and/or the imposition of currency controls and speculation. Client accounts that hold foreign securities that do not hedge against changes in currency exchange rates may be exposed to significant exchange rate risk. Client accounts that transact in foreign securities will incur currency conversion costs, including transaction costs related to repatriating foreign currencies to the account's base currency.

Where permitted by clients, QS Investors may use forward currency exchange contracts to hedge against fluctuations in certain currencies with the objective of protecting the value of client accounts against adverse changes in currency exchange rates; however, there is no guarantee that QS Investors will employ a hedging strategy or, when it does, that it will successfully hedge currency exposures. QS Investors' hedging actions may be unsuccessful, resulting in lower returns or even losses to client accounts.

Income Trusts, including Real Estate Investment Trusts ("REITs") Risk. Income trusts are investment trusts whose interests are traded on securities exchanges similar to corporate stock. An income trust is an investment that

may hold equities, debt instruments, royalty interests or real properties. The trust can receive interest, royalty or lease payments from an operating entity carrying on a business, as well as dividends and a return of capital. Income trusts include: (a) REITs, which invest in real estate; (b) business income trusts, where individual companies have converted some or all of their stock equity into an income trust capital structure; and (c) royalty/energy trusts, which invest in natural resources, such as oil and gas ventures. In a typical income trust structure, the income paid to an income trust by the operating entity is passed through to investors. This has the effect of reducing the trust's taxable income but results in such payments being taxed at the unitholder level.

REITs are subject to the risks associated with owning real estate, including its potential decline in value and the difficulties associated with its valuation and sale. REITs are also subject to the risk of income fluctuation from underlying real estate assets, inability to effectively manage cash flows from those assets, borrower prepayments and defaults and failure to qualify for special tax treatment. REITs are generally exempt from taxation at the trust level as long as they distribute at least 90% of their income to their unitholders.

Investments in income trusts (including REITs) may have tax implications for certain types of investors (see further discussion below under *Tax Risk*).

Master Limited Partnerships ("MLPs") Risk. MLPs are limited partnerships that are publicly traded on a securities exchange. Because MLPs are classified as partnerships, they avoid corporate income tax. Investors in MLPs also are allocated their proportionate share of all tax items.

Investments in MLPs may have tax implications for certain types of investors (see further discussion below under *Tax Risk*).

Investment Companies Risk. Certain accounts may invest in shares of investment companies as part of their core investment strategy or to gain exposure to certain asset classes (when permitted by clients). These may include shares of open-end investment companies, closed-end investment companies, unit investment trusts and ETFs. Investment companies are actively or passively managed portfolios that invest in a particular strategy, index, asset class or other objective defined by each company for a management fee. Investing in investment companies generally carry the same risks as investing directly in the underlying assets, but carry additional expenses in the form of management fees, distribution fees, shareholder service fees and/or other fees and expenses imposed or incurred by the investment companies, with a proportionate share borne by investors. Performance will be reduced by these costs and other expenses, which clients typically pay in addition to QS Investors' advisory fees. Performance of client accounts investing in investment companies could be lower than if the accounts invested directly in the securities held in the investment companies. In addition, client accounts holding investment companies are indirectly exposed to the risks of the underlying securities. Please refer to the underlying funds' Prospectuses, Statements of Additional Information, or other offering documents for a more complete discussion of risks specific to each fund. Additionally, ETFs trade on a securities exchange, which means their shares often trade at a premium or discount to their actual net asset value.

Derivatives Risk. Where permitted by clients, QS Investors may use equity index futures to equitize the cash or cash equivalents in client accounts. QS Investors may also use derivatives or synthetic instruments to gain equity exposure not otherwise obtainable in certain non-U.S. markets due to limitations imposed by certain countries (such as a ban on short selling or limits on foreign institutional investors), because a client's custodian does not have a local agent bank that will allow QS Investors to invest directly in such market, or because such instruments may be more tax efficient or cost effective than direct investment.

Moreover, QS Investors may use derivatives to employ defensive strategies designed to protect a client account from an expected decline in the market value of an asset or group of assets that the account owns or to protect

the account from an expected rise in the market value of an asset or group of assets which the account intends to acquire in the future (an “anticipatory” hedge).

Derivatives are financial instruments whose value is based on the performance of an underlying financial asset(s), index or other investment.

A swap is an agreement in which one party makes payments based on a set rate, either fixed or variable, while the other party makes payments based on the return of an underlying asset, which includes both the income it generates and any capital gains. The underlying asset can be a security, basket of securities or an equity index.

Equity-linked notes (“ELNs”) are debt instruments that differ from a standard fixed income security in that the final payout is based on the return of an underlying asset, which can also be a single security, basket of securities or an equity index.

A participation certificate is an investment representing an interest in a security or pool of securities that allows participation in the rise or fall of the price of that security or pool.

Warrants and stock purchase rights are securities permitting, but not obligating, their holder to purchase other securities, typically the issuer’s common stock. Stock purchase rights are frequently issued as a dividend to a company’s stockholders, while warrants are generally sold by a company or issuer.

Most synthetic securities are not actively traded on a secondary market and are designed to be kept to maturity. Holders of such securities typically do not have voting or other rights typically afforded to shareholders of common stock. For example, holders of warrants and stock purchase rights are not entitled to receive dividends or to vote. They also do not have the rights to share in the assets of the company in the event of liquidation.

While the issuer of a synthetic security may register the instrument with a listed exchange, these instruments may not be readily traded in the secondary markets and, therefore, in addition to other risks, they often have increased counterparty risk.

Risks associated with derivatives include the following:

- A derivative may not be well correlated with the security, index or currency to which it relates;
- Derivatives used for risk management may not have the intended effects and may result in missed opportunities or losses;
- An account may be unable to sell a derivative due to an illiquid secondary market;
- A counterparty may be unwilling or unable to meet its obligations;
- Contractual terms related to default may be interpreted differently by various parties;
- Returns may be dramatically impacted by interest rate movements; and
- Derivatives transactions can expose investors to the effects of leverage, which can increase their market exposure and magnify any losses when compared to directly buying or selling the asset, index, or investment upon which the derivative is based.

There is no guarantee that QS Investors will employ, or will successfully employ, derivatives, for hedging or other purposes, and their use could result in lower returns or losses to a client account.

Using derivatives, especially for non-hedging purposes, generally involves greater risks to a client account than investing directly in securities, particularly as these instruments may be very complex and may not behave in the manner anticipated.

Buying and selling derivatives involves the use of financial leverage, which can lead to increased gains or losses when compared to directly buying or selling the asset, index or investment upon which the derivative is based. As a result, an account can lose more than the amount committed to the derivatives transaction. Additionally, it should be noted that, under certain market conditions, it may be difficult or impossible to liquidate or value a derivatives position.

Over-the-Counter (“OTC”) Risk. Certain instruments, particularly certain types of derivatives, are traded OTC, which means that they are traded privately between two parties. OTC transactions are not regulated by a U.S. government agency and are not traded on or guaranteed by an exchange or clearinghouse. When trading instruments OTC, a client account faces the risk that the other party to the transaction (the “counterparty”) may not be able to fully “perform” under the terms of the contract. A client account could face substantial losses if the counterparty is unable to meet their financial obligations due to insolvency, bankruptcy or other causes.

Many OTC stocks trade less frequently and in smaller volume than exchange-listed stocks. The values of these stocks may be more volatile than with exchange-listed stocks, and investors may experience difficulty in purchasing or selling these securities at a fair price.

Counterparty and Settlement Risk. If the issuer of a security held in a client account or counterparty to a financial contract defaults, is downgraded or is perceived to be less creditworthy, or if the value of the assets underlying a security declines, the value of an investment will typically decline. Client accounts are subject to the credit risk of parties with whom they trade and will generally bear the risk of settlement default. Trading in certain security types may result in increased counterparty and settlement risk, as further described above under *Issuer/Security Risk*. In addition, market practices in relation to the settlement of transactions and the custody of assets could result in increased risks.

Client accounts may be adversely impacted should counterparties (e.g., broker-dealers and prime brokers) selected by QS Investors become insolvent. QS Investors typically trades securities with broker-dealers on a delivery-versus-payment basis, thereby greatly reducing counterparty risk. Certain client account and fund assets are held by prime brokers, and those accounts may be significantly impacted in the event of the prime broker’s bankruptcy. Rehypothesized securities² could be frozen if a prime broker files for bankruptcy and those assets could be claimed by a prime broker’s creditors. Certain other trading activities, such as swaps and derivatives transactions under the International Swaps and Derivatives Association (“ISDA”) regime or principal transactions with broker-dealers, also have increased counterparty risk.

Leverage Risk. Leveraged accounts have greater investment exposure, may incur additional costs and are subject to greater losses if the value of the leveraged investments decline. Accounts managed using a market neutral or limited shorting strategy are inherently leveraged, holding positions in excess of the amount invested.

Asset Segregation Risk. In connection with certain transactions that may give rise to future payment obligations, including many types of derivatives, a client account may be required to maintain a segregated amount of cash or liquid securities to cover the position. Segregated securities cannot be sold while the position they are covering is outstanding, unless they are replaced with other securities of equal value. As a result, there is the possibility that segregation of a large percentage of a client account’s assets may, in some circumstances, limit the portfolio manager’s flexibility.

² Prime brokers “rehypothesize” customer’s assets as collateral for loans in the prime broker’s name, to raise cash and make loans to clients for leveraging of purchases and the support of stock borrowings that prime brokers lend to funds that sell securities short. Asset protection laws vary by country.

Short Selling Risk. For accounts and investment strategies that allow it, QS Investors may use short selling as a way to gain exposure to securities that the investment team believes are overvalued. Short selling involves borrowing and simultaneously selling a security, with an obligation to replace the borrowed security in the future. Such transactions create leverage. Short selling allows a client account to profit from the decline of the price of a security. If, however, the borrowed security increases in value during the time it was borrowed and when it is replaced, the account will decrease in value, since it must pay the higher price to repurchase the security. While the possible loss on a security that is purchased long is limited to the price paid for the security, the loss to a client account engaged in short selling is theoretically unlimited, since the price of the security borrowed could continue to rise, causing an account to pay the higher price to replace it. Additionally, purchasing the security to replace it may cause the price to rise further, magnifying any potential losses to an account.

The amount of any gain on a short sale will be decreased, and the amount of any loss increased, by the amount of the premium, dividends, interest or expenses a client account may be required to pay in connection with the short sale or short position. Short sellers may be subject to margin calls, requiring them to provide more cash or liquidate a position. Client accounts with both long and short positions run the risk that the value of the short positions will rise as the value of the long positions decline, magnifying losses.

Some of the assets in client accounts that engage in short sales are held as collateral by prime brokers rather than custodian banks. Due to these short positions, some assets are held in one or more margin accounts, which may provide less segregation of client assets than in a more conventional custody arrangement. If a prime broker's business is liquidated, the account assets could be frozen and inaccessible for an extended period of time, resulting in a potential loss to an account due to adverse market movements during the period the positions cannot be traded.

Initial Public Offerings ("IPOs") Risk. The key criterion for determining eligibility of an account to participate in an IPO is the suitability of the investment for the investment mandate as determined by the appropriate investment team. Most of QS Investors' investment strategies do not invest in IPOs. IPOs are frequently less liquid than securities traded on the secondary markets, and may be subject to trading restrictions, such as lock-up periods, and their prices are typically more volatile than those of securities traded on the secondary markets.

Management/Model Risk. QS Investors' investment models used to evaluate securities or markets are based on certain assumptions concerning the interplay of market factors and do not assure profitable investment, and the models may not behave as expected. Unanticipated market movements or extraneous events may decrease the predictive success of the models, and there can be no assurance that a client's specific investment objectives will be achieved.

QS Investors' quantitative investment process is supported by extensive proprietary computer code. Despite multiple development, review, testing and change controls for the models, as with any complex software or data-driven model, coding errors may occur. No guarantee or warranty can be made that any quantitative investment model will be completely free of errors. Coding errors may be difficult to detect and could have a negative impact on investment results. QS Investors' models, which have a wide range of inputs, are generally not reliant on any one calculation or piece of data. Furthermore, QS Investors has control systems and processes in place that are intended to identify and escalate in a timely manner any errors that could have a material impact on the Firm's investment processes.

QS Investors receives investment data and other information about investment securities from outside vendors and reserves the right to rely on this data. The data includes, but is not limited to, market price quotations, earnings reports, balance sheets and other indicators of financial performance or expectations. QS Investors

also receives information from vendors concerning companies' ESG metrics. Depending upon the investment strategy or an account's investment guidelines, QS Investors may incorporate ESG considerations into its investment analysis and decision-making process using third-party data feeds. Although QS Investors takes steps reasonably necessary to verify this and other data, QS Investors cannot ensure that the data is complete or error-free.

Objective-Based Performance Risk. There is a risk that QS Investors may not be able to achieve its investment or performance objectives under each of its investment strategies, including but not limited to solutions-based strategies (see also *Management/Model Risk* above).

Trade Error Risk. Despite various controls and best intentions, trade errors may occasionally occur in client accounts. These errors may include the following:

- Breach of investment guidelines and/or investment restrictions;
- Trading the wrong security or more shares of a security than intended;
- Trading a security for the wrong account or fund; and
- Purchasing a security that a portfolio manager intended to sell, or vice versa.

Please see Item 12 (Brokerage Practices) of this Brochure for information about QS Investors' trade error correction policy.

Compliance Risk. There is a risk that QS Investors may violate client investment guidelines and limitations. Each client account has specific guidelines and restrictions embedded into its portfolio construction process that are reviewed by the account's investment team. The Firm has established control procedures to mitigate this risk, and compliance independently monitors client accounts on an ongoing basis for adherence to client-specific guidelines and restrictions. Please see Item 13 (Review of Accounts) of this Brochure for further information about the Firm's account review procedures.

Allocation Risk. If a portfolio manager identifies a limited investment opportunity that may be suitable for multiple accounts, the opportunity may be allocated among several accounts, which due to liquidity constraints or other factors, may limit a client's ability to take full advantage of it. QS Investors has adopted trade allocation procedures designed to ensure that allocations of limited investment opportunities are conducted in a fair and equitable manner among client accounts. Nevertheless, investment opportunities may be allocated differently among client accounts due to the particular characteristics of an account, such as the size of the account, its cash position, investment guidelines and restrictions, sector, country, region or market capitalization exposure, other risk controls, market restrictions or for other reasons. These trade allocation procedures can result in partial fills of trade orders and, consequently, it may take multiple days to complete certain trades. Clients might experience higher transaction costs or obtain less favorable pricing when it takes multiple days to complete a trade order. Please see Item 12 (Brokerage Practices) of this Brochure for a description of QS Investors' trade aggregation and allocation procedures.

Timing of Trading Risk. At times, certain accounts may trade a particular security in advance of other accounts. In such situations, a purchase may increase the price of a security intended to be purchased by another account, or a sale or short sale in one account may lower the sale price received in a sale by a second account.

Redemption Risk. If client accounts with substantial assets terminate their advisory agreements with QS Investors or redeem significant levels of assets in a strategy with limited liquidity, it may be difficult for the Firm to provide sufficient funds to meet the redemption requests without liquidating positions prematurely, at inappropriate times or on unfavorable terms. These sales may cause market impact, reducing the prices of some

securities with limited liquidity or trading volumes, and diminish the value of remaining client account portfolios. Significant redemptions in commingled funds may also disrupt their operations.

Portfolio Turnover and Trading Cost Risk. Some of QS Investors' investment strategies have the potential to generate relatively high turnover, which will result in higher transaction costs than would be the case with a buy-and-hold strategy. The transaction costs associated with active trading strategies reduce portfolio returns. Trading costs vary by market. Trading costs in less developed markets, especially in emerging markets, are typically higher, and often much higher, than those in the U.S. and other developed markets.

Tax Risk. QS Investors' investment strategies and processes generally do not consider clients' tax status or the tax consequences of trades in their accounts, including commingled funds. Investment strategies may generate significant short-term capital gains, which may disadvantage investors in separate accounts or pooled vehicles in terms of taxes. Taxable earnings received from investments in certain security types may generate unrelated business taxable income ("UBTI"), which can be taxable to certain otherwise tax-exempt investors. Clients should consult their tax advisors about the tax consequences of establishing separate accounts with QS Investors or investing in a QS Investors-managed or sub-advised commingled fund.

Business Disruption Risk. QS Investors has prepared a business continuity/disaster recovery plan and has successfully performed disaster recovery testing relating to its investment process, systems and applications. These procedures are regularly reviewed and enhanced and have been previously implemented during periods of business interruption. In the event of a catastrophic event, resulting in the death or disability of a group of key QS Investors' employees, QS Investors may not be able to adhere to the recovery timeline that it has outlined for business recovery, including the provision of investment management services. In the event of a material business disruption, QS Investors intends to notify its clients as soon as is reasonably practicable.

Key Person Risk. The success of an investment strategy or account is largely dependent on the skill and expertise of the Firm's investment professionals and research staff. Although each of the Firm's strategies are managed by a team of professionals, the loss of key personnel could have an adverse impact on the performance of a given strategy or account.

Cybersecurity Risk. With the increased use of technologies such as mobile devices and Web-based or "cloud" applications, and the dependence on the Internet and computer systems to conduct business, QS Investors and client accounts are susceptible to operational, information security and related risks. In general, cybersecurity incidents can result from deliberate attacks or unintentional events (arising from external or internal sources) that may cause the Firm to lose proprietary information, suffer data corruption, physical damage to a computer or network system or lose operational capacity. Cybersecurity attacks include, but are not limited to, infection by malicious software, such as malware or computer viruses or gaining unauthorized access to digital systems, networks or devices that are used to service the Firm's operations (e.g., through "hacking," "phishing" or malicious software coding) or other means for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cybersecurity attacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on the Firm's servers (i.e., efforts to make network services unavailable to intended users). In addition, authorized persons could inadvertently or intentionally release confidential or proprietary information stored on the Firm's systems.

Cybersecurity incidents affecting the Firm, the Firm's service providers, or a client account's service providers (e.g., custodian), have the ability to cause disruptions and impact business operations, potentially resulting in financial losses to a client account portfolio, interference with a fund's ability to calculate its NAV, impediments to trading, the inability of fund shareholders to transact business and the fund to process transactions (including fulfillment of fund share purchases and redemptions), violations of applicable privacy and other laws (including

the release of private shareholder information) and attendant breach notification and credit monitoring costs, regulatory fines, penalties, litigation costs, reputational damage, reimbursement or other compensation costs, forensic investigation and remediation costs, and/or additional compliance costs. Similar adverse consequences could result from cybersecurity incidents affecting issuers of securities in which a portfolio invests, counterparties with which the Firm 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 other service providers) and other parties. In addition to administrative, technological and procedural safeguards, QS Investors has established business continuity plans in the event of, and risk management systems to prevent or reduce the impact of, such cybersecurity incidents. However, there are inherent limitations in such plans and systems, including the possibility that certain risks have not been identified, as well as the rapid development of new threats. Furthermore, QS Investors cannot control the cybersecurity plans and systems put in place by its service providers or any other third parties whose operations may affect a client account. Client accounts could be negatively impacted as a result.

Regulatory Risk. The financial services industry is highly regulated and constantly evolving. Changes to regulations may impede the Firm's ability to offer certain products and services, invest in certain products, asset classes or markets, and/or may require the Firm to alter its strategies or practices in order to comply with new rules and directives. QS Investors cannot predict the impact or effect, if any, of future regulatory reform on the investment strategies the Firm currently manages or products and services the Firm currently offers or provides.

Tracking Error Risk. Client accounts that seek to track an index are subject to tracking error and may not be able to replicate the performance of the index. Certain factors may increase tracking error, including, among other things:

- The composition of an account and an index may not be identical at all times due to size or liquidity constraints;
- Transaction costs or other fees and expenses associated with trading and holding stocks or other securities; and
- Client inflows or outflows that result in or create the need for uninvested cash.

Valuation Risk. In extremely limited circumstances, when holdings in client accounts are difficult to value given market conditions, QS Investors may internally assign a value to an asset(s) using the best available information available at the time of valuation. This value may be different than the value received when the investment is sold.

ADDITIONAL RISKS THAT RELATE TO OTHER TYPES OF INVESTMENTS AND INVESTMENT TECHNIQUES

Certain investment types and investment techniques involve certain additional risks:

Managed Volatility Investing Risk. Products designed to manage volatility may have the potential for favorable relative returns during period of market decline, they have historically underperformed relative to traditional portfolios in periods of market appreciation.

Dividend Paying Stocks. A client account's strategy of investing in dividend-paying stocks involves the risk that companies that issue dividend-paying stocks are not required to continue to pay dividends on such stocks and could reduce or eliminate the payment of dividends in the future or the anticipated acceleration of dividends could not occur. Depending upon market conditions, dividend-paying stocks that meet a client account's investment criteria may not be widely available and/or may be highly concentrated in only a few market sectors. This may limit the ability of the client account to produce current income while remaining fully diversified.

ESG Investing Risk. An account or strategy subject to ESG policy guidelines and restrictions could underperform accounts invested in a similar strategy without the same restrictions because the ESG guidelines may require QS Investors to avoid or liquidate a well-performing security because it does not meet the ESG criteria.

Commodities Risk. A client account's investment in commodity-linked instruments may subject the account to greater volatility than investments in traditional securities. The value of commodity-linked instruments may be affected by changes in overall market movements, commodity index volatility, prolonged or intense speculation by investors, changes in interest rates or factors affecting a particular industry or commodity, such as drought, floods, other weather phenomena, livestock disease, embargoes, tariffs and international economic, political and regulatory developments.

Inflation-Indexed Securities Risk. The values of inflation-indexed fixed income securities generally fluctuate in response to changes in real interest rates (approximately nominal interest rates minus the inflation rate). Therefore, if inflation rates were to rise faster than nominal interest rates, the value of inflation-indexed securities would likely increase. In contrast, if nominal interest rates increased faster than the inflation rates, the value of inflation-indexed securities would likely decrease. Although the principal value of inflation-indexed securities declines in periods of deflation, holders at maturity receive no less than the par value of the security. However, if a client account purchases inflation-indexed securities in the secondary market whose principal values have been adjusted upward due to inflation since issuance, it may experience a loss if there is a subsequent period of deflation or lower level of inflation. If inflation is lower than expected during the period a client account holds an inflation-indexed security, the account may earn less on the security than on a conventional bond.

If real interest rates rise (i.e., if interest rates rise for reasons other than inflation, for example, due to changes in currency exchange rates), the value of inflation-indexed securities held by a client account will decline. Moreover, because the principal amount of inflation-indexed securities would be adjusted downward during a period of deflation, a client account will be subject to deflation risk with respect to its investments in these securities. Inflation-indexed securities are tied to indices that are calculated based on rates of inflation for prior periods.

Cash Management and Defensive Investing Risk. The value of the investments held by a client account for cash management or defensive investing purposes may be affected by changing interest rates and by changes in credit ratings of the investments. If client account holds cash uninvested, it will be subject to the credit risk of the depository institution holding the cash. If a significant amount of a client account's assets is used for cash management or defensive investing purposes, it may be more difficult for the client account to achieve its investment objective.

Interest Rate Risk. To the extent that a client account invests in or is exposed to fixed income securities, the account may be subject to interest rate risk. Generally, rising interest rates will lead to a decrease in the value of fixed income securities. Fixed income securities with longer maturities are generally more sensitive to changing interest rates than those securities with shorter maturities. In addition, different interest rate measures (such as short- and long-term interest rates and U.S. and foreign interest rates), or interest rates on different types of securities or securities of different issuers, may not necessarily change in the same amount or in the same direction.

Certain fixed income securities pay interest at variable or floating rates. Variable rate securities tend to reset at specified intervals, while floating rate securities may reset whenever there is a change in a specified index rate. In most cases, these reset provisions reduce the impact of changes in market interest rates on the value of the security. However, some securities do not track the underlying index directly, but reset based on formulas that

may produce a leveraging effect; others may also provide for interest payments that vary inversely with market rates. The market prices of these securities may fluctuate significantly when interest rates change.

Credit Risk. The value of a fixed income investment may be negatively impacted by adverse changes to an issuer's financial condition, including insolvency or bankruptcy, payment default, inability to meet a financial obligation, or a downgrade of a security or issuer's rating (a measure used to help evaluate a borrower's credit worthiness).

If a client account enters into financial contracts (such as certain derivatives, repurchase agreements, reverse repurchase agreements, and when-issued, delayed delivery and forward commitment transactions), it will be subject to the credit risk presented by the counterparty. In addition, a client account may incur expenses to protect its interest in securities experiencing these events. Credit risk is broadly gauged by the credit ratings of the securities in which an account invests. However, ratings are only the opinions of the companies issuing them and are not guarantees as to quality. Securities rated in the lowest category of investment grade (Baa/BBB) and below may possess certain speculative characteristics.

RISKS ASSOCIATED WITH INVESTMENT IN FUNDS INSTEAD OF DIRECTLY IN SECURITIES AND OTHER INVESTMENTS

A client account that invests in Underlying Funds instead of directly in securities and other investments may be exposed to the following types of risks in addition to the risks stated above:

Fund-of-Funds Cost Risk. The cost of investing in Underlying Funds may be higher than the cost of investing directly in individual securities. An Underlying Fund may change its investment objective or policies without the client's approval, which could force a client to withdraw its investment from such Underlying Fund at a time that is unfavorable to the client. In addition, one Underlying Fund may buy the same securities that another Underlying Fund sells. Therefore, the client account would indirectly bear the costs of these trades without accomplishing any investment purpose.

Risk of Increase in Expenses. A client's cost of investing may increase if an Underlying Fund's fee limitation is changed or terminated or if average net assets decrease. Net assets are more likely to decrease, and Underlying Fund expense ratios are more likely to increase when markets are volatile.

Affiliated Funds Risk. Assets in a client's account may be invested in in QS-Advised Funds and Affiliated Funds. This presents QS Investors with a potential for conflict. For example, QS Investors may have an incentive to allocate a client's assets to QS-Advised Funds and Affiliated Funds. Please see Item 10 (Other Financial Industry Activities and Affiliations), Item 11 (Code of Ethics, Participation or Interest in Client Transactions) and Item 14 (Client Referrals and Other Compensation) of this Brochure for a discussion of such conflicts of interest.

Client Portfolio Rebalancing Risk. An Underlying Fund may experience relatively large redemptions or investments due to, among other things, a rebalancing of a QS Investors' client account with an investment in such Underlying Fund. In such event, the Underlying Fund may be required to sell securities or to invest cash at a time when it is not advantageous to do so. Rebalancing may increase brokerage and/or other transaction costs of the Underlying Fund, increase the Underlying Fund's expenses or result in the Underlying Fund becoming too small to be economically viable. Rebalancing may also adversely affect an Underlying Fund's performance and thus the client account's performance. The impact of rebalancing is likely to be greater when a client account has a significant investment in such Underlying Fund.

Fund-of-Funds Investment Risk. An Underlying Fund in which a client invests also may be an underlying investment for other accounts that are managed by QS Investors or by other entities as "funds-of-funds." As a result, from time to time, such Underlying Fund may experience relatively large redemptions or investments

and could be required to sell securities or to invest cash at a time when it is not advantageous to do so based on activity in client accounts. Such investment activity may increase brokerage and/or other transaction costs of the Underlying Fund, increase the Underlying Fund's expenses or result in the Underlying Fund becoming too small to be economically viable. Such activity also may adversely affect an Underlying Fund's performance and thus the client account's performance.

Valuation Risk. The sales price an Underlying Fund could receive for any particular portfolio investment may differ from the Underlying Fund's valuation of the investment, particularly for securities that trade in thin or volatile markets or that are valued using a fair value methodology (for example, when a security is illiquid or its price is not readily available, or when events after the close of a foreign market affect the value of a security traded in or currency of that market).

RISKS ASSOCIATED WITH QS INVESTORS' ASSET ALLOCATION AND FUND/MANAGER SELECTION ADVISORY SERVICES

QS Investors' asset allocation and fund/manager selection advisory services involve the following additional risks:

Allocation and Fund/Manager Selection Risk. A client account's ability to achieve its investment objective depends upon QS Investors' skill in determining the account's asset allocation and in selecting the account's Underlying Funds or Underlying Managers. The value of a client account may decrease or underperform if QS Investors' judgment about market trends or the attractiveness of asset classes, investment styles, Underlying Funds or Underlying Managers is incorrect.

Asset Class Variation Risk. A client account's Underlying Funds or Sleeves will invest principally in the securities constituting their asset class (i.e., equity or fixed income). However, under normal market conditions, an Underlying Fund or Sleeve may vary the percentage of its assets in these securities (subject to any applicable investment guidelines or regulatory requirements). Depending upon the percentage of securities in a particular asset class held by an account's Underlying Funds or Sleeves at any given time and the percentage of the account's assets invested in various Underlying Funds or Sleeves, the client account's actual exposure to the securities in a particular asset class may vary substantially from its intended allocation for that asset class.

Portfolio Selection Risk. The value of a client account may decrease if the judgment of an Underlying Fund's portfolio managers or the judgment of an Underlying Manager about the attractiveness of, value of or market trends affecting a particular security, industry or sector, country or region, or about market movements, is incorrect. In addition, the investment models used by an Underlying Fund's portfolio managers or by Underlying Managers to evaluate securities or securities markets are based on certain assumptions concerning the interplay of market factors and do not assure successful investment. The interplay of these factors may change from their historical patterns due to prolonged adverse market conditions or financial crises. Although an Underlying Fund's portfolio managers or an Underlying Manager may attempt to hedge or protect against investment losses, there is no assurance that their judgment about whether and when to do so will be correct, or that hedges will succeed. Hedging strategies may not always work as intended, and in specific cases, an Underlying Fund or a Sleeve of a client account may be worse off than if it had not used such strategies.

Multi-Manager Risk. While QS Investors monitors each Underlying Manager in a Manager-of-Managers arrangement and monitors the overall management of client accounts, QS Investors and each Underlying Manager make investment decisions for client accounts independently from one another. It is possible that the investment styles used by an Underlying Manager for a Sleeve will not always be complementary to those used by other Underlying Managers, which could adversely affect the performance of a client's account. In addition,

one Underlying Manager may buy the same securities that another Underlying Manager sells. Therefore, the client account would bear the cost of these trades without accomplishing any investment purpose.

Fund-of-Funds Cost Risk. Refer to the discussion of Fund-of-Funds Cost Risk in *Risks Associated with Investment in Funds Instead of Directly in Securities and Other Investments*.

Affiliated Funds and Affiliated Managers Risk. Assets in a Fund-of-Funds client account may be invested in QS-Advised Funds and Affiliated Funds. Assets in a Manager-of-Managers client account may be allocated to QS-Managed Sleeves and to Sleeves managed by Affiliated Managers. This presents QS Investors with a potential for conflict as discussed in Item 10 (Other Financial Industry Activities and Affiliations), Item 11 (Code of Ethics, Participation or Interest in Client Transactions) and Item 14 (Client Referrals and Other Compensation) of this Brochure.

Non-Diversification Risk. To the extent that a client account invests in a smaller number of Underlying Funds or allocates its assets to a smaller number of Underlying Managers, the client account will be more susceptible to negative events affecting such Underlying Funds or the securities in Sleeves managed by such Underlying Managers.

ADDITIONAL RISKS THAT RELATE PRIMARILY TO FIXED INCOME INVESTMENTS IN UNDERLYING FUNDS OR SLEEVES

Interest Rate Risk. Refer to the discussion of Interest Rate Risk in *Additional Risks that Relate to Other Types of Investments and Investment Techniques*.

Credit Risk. Refer to the discussion of Credit Risk in *Additional Risks that Relate to Other Types of Investments and Investment Techniques*.

High Yield or "Junk Bond" Risk. Debt securities that are below investment grade, or "junk bonds," are speculative, have a higher risk of issuer default, tend to be less liquid and are more difficult to value than higher grade securities. Junk bonds tend to be volatile and more susceptible to adverse events and negative sentiments. Investing in these securities subjects an Underlying Fund or a Sleeve of a client account to increased price sensitivity to changing interest rates, greater risk of loss because of default or declining credit quality, or an issuer's inability to make interest and/or principal payments due to adverse company specific events or changes in economic conditions. Junk bonds are also subject to the risk of negative perceptions of the high yield market depressing the price and liquidity of high yield securities. These negative perceptions could last for a significant period of time.

Prepayment or Call Risk. Many fixed income securities give the issuer the option to repay or call the security prior to its maturity date. Issuers often exercise this right when interest rates fall. Accordingly, if an Underlying Fund or a Sleeve of a client account holds a fixed income security subject to prepayment or call risk, it may not benefit fully from the increase in value that other fixed income securities generally experience when interest rates fall. Upon prepayment of the security, the Underlying Fund or Sleeve would also be forced to reinvest the proceeds at then current yields, which would be lower than the yield of the security that was paid off. In addition, if the Underlying Fund or Sleeve purchases a fixed income security at a premium (at a price that exceeds its stated par or principal value), the Underlying Fund or Sleeve may lose the amount of the premium paid in the event of prepayment.

Extension Risk. When interest rates rise, repayments of fixed income securities, particularly asset- and mortgage-backed securities, may occur more slowly than anticipated, extending the effective duration of these fixed income securities and locking in below market interest rates. This may cause the investments in an Underlying Fund or in the Sleeve of a client account to be more volatile.

Sovereign Debt Risk. Sovereign government and supranational debt involves many of the risks of foreign and emerging market investments as well as the risk of debt moratorium, repudiation or renegotiation, and an Underlying Fund or Sleeve may be unable to enforce its rights against the issuers.

ADDITIONAL RISKS THAT RELATE PRIMARILY TO OTHER TYPES OF INVESTMENTS AND INVESTMENT TECHNIQUES IN UNDERLYING FUNDS OR SLEEVES

Closed-End Fund Risk. Shares of closed-end funds in which an Underlying Fund or Sleeve invests may trade at either a premium or discount to the fund's net asset value. An Underlying Fund or Sleeve that invests in closed-end funds will pay brokerage commissions in connection with the purchase and sale of shares of closed-end funds.

Hedge Funds Risk. An Underlying Fund or Sleeve may invest in investment companies that are not registered and whose portfolio managers may not be registered as an investment adviser. As a result, the client account as an investor in the Underlying Funds would not have the benefit of certain protections afforded to investors in registered investment companies.

Mortgage-Backed and Asset-Backed Securities Risk. The value of investments in mortgage-backed and asset-backed securities is subject to interest rate risk and credit risk. These securities are also subject to the risk that borrowers will prepay the principal on their loans more quickly than expected (prepayment risk) or more slowly than expected (extension risk), which will affect the yield, average life and price of the securities. In addition, faster than expected prepayments may cause the Underlying Fund or Sleeve of a client account to invest the prepaid principal in lower yielding securities and slower than expected prepayments may reduce the potential for such Underlying Fund or Sleeve to invest in higher yielding securities.

Mortgage-Backed Security Risk (Government-Sponsored Enterprises or "GSEs"). Debt and mortgage-backed securities issued by GSEs such as FNMA and FHLMC are neither insured nor guaranteed by the U.S. Treasury and are not backed by the full faith and credit of the U.S. government. Such securities are only supported by the credit of the GSE. The U.S. government has provided financial support to FNMA and FHLMC, but there can be no assurance that it will support these or other GSEs in the future.

Non-Publicly Traded Securities. Non-publicly traded securities often involve a high degree of business and financial risk and may result in substantial losses. These securities are generally less liquid than publicly traded securities, and as a result, an Underlying Fund or a Sleeve of a client account may take longer to liquidate these positions than would be the case for publicly traded securities. Although these securities can be resold in privately negotiated transactions, the prices realized from these sales could be less than those originally paid by an Underlying Fund or Sleeve of a client account. Further, companies whose securities are not publicly traded are generally not subject to the disclosure and other investor protection requirements that would be applicable if their securities were publicly traded.

Convertible Securities Risk. Convertible securities are subject both to the stock market risk associated with equity securities and to the credit and interest rate risks associated with fixed income securities. When the market price of the equity security underlying a convertible security decreases, the convertible security tends to trade on the basis of its yield and other fixed income characteristics. As the market price of the equity security underlying a convertible security rises, the convertible security tends to trade on the basis of its equity conversion features.

Repurchase Agreements Risk. Repurchase agreements could involve certain risks in the event of default or insolvency of the seller, including losses and possible delays or restrictions upon an Underlying Fund's or Sleeve's ability to dispose of the underlying securities. To the extent that, in the meantime, the value of the securities

that the Underlying Fund or Sleeve has purchased has decreased, the Underlying Fund or Sleeve could experience a loss.

Leveraging Risk and Reverse Repurchase Agreements. An Underlying Fund or Sleeve may take on leveraging risk by, among other things, engaging in derivative transactions or reverse repurchase agreements. When an Underlying Fund or Sleeve engages in transactions that have a leveraging effect on its portfolio, the value of the Underlying Fund or Sleeve will be more volatile, and all other risks tend to be compounded. This is because leverage generally magnifies the effect of any increase or decrease in the value of the Underlying Fund's or Sleeve's underlying assets or creates investment risk with respect to a larger pool of assets than the Underlying Fund or Sleeve would otherwise have. Engaging in such transactions may cause the Underlying Fund or Sleeve to liquidate positions when it may not be advantageous to do so to satisfy its obligations or meet segregation requirements.

Securities Lending Risk. Lending securities involves the risk of possible delay in receiving additional collateral, delay in recovery of the securities when the loan is called or possible loss of collateral should the borrower fail financially. An Underlying Fund or Sleeve could also lose money if its short-term investment of the cash collateral declines in value over the period of the loan.

Risks Associated with Index Tracking Investing. The assumptions built into the risk models and optimization software utilized by QS Investors to invest certain client account assets in a manner designed to produce returns comparable to those of a particular benchmark index may cause such models and software to produce investment recommendations that result in an index tracking error that is greater than expected and, therefore, returns that are not closely correlated to the returns of the index with respect to a client account. In addition, because QS Investors does not conduct any fundamental, company-specific security analysis with respect to securities purchased and sold as part of the index tracking investing process, the value of a client account may decrease if account assets are invested in securities that are less attractive than other securities in the index from a fundamental investment perspective.

ADDITIONAL RISKS ASSOCIATED WITH QS INVESTORS' RISK MANAGEMENT ADVISORY SERVICES

QS Investors' risk management advisory services involve the following additional risks:

Allocation Risk. An account's ability to achieve its investment objectives depends upon QS Investors' skill in determining the account's asset allocation, creating and applying formulas for de-risking or ending de-risking, and determining when to engage in risk management strategies. In implementing the Dynamic Risk Management or Event Risk Management strategies, a client account will be subject to heightened allocation risk, as QS Investors will have discretion in determining the account's asset allocation. If an account's exposure to short-term defensive instruments is increased at inopportune times or for extended periods of time, the account may experience lower performance or greater losses. There is no guarantee that the Dynamic Risk Management or the Event Risk Management strategies will work as intended or prevent an account from incurring losses.

Defensive Investing Risk. A client account may have significant exposure to short-term defensive instruments as a result of implementation of the Dynamic Risk Management strategy. If a client account has significant exposure to short-term defensive instruments or engages in options and futures transactions for hedging purposes, it may be more difficult for the account to achieve high total returns.

Dynamic Risk Management Strategy Risk. A client account may sell underlying fund holdings, including shares of ETFs, in implementing the Dynamic Risk Management strategy. During periods of market volatility, the share prices of ETFs may deviate significantly from their net asset values. Therefore, selling shares of ETFs during

periods of market volatility may result in greater losses than redeeming mutual fund holdings. A client account may incur additional trading costs due to implementation of the Dynamic Risk Management strategy, which would reduce the account's performance. If derivatives are used to implement the Dynamic Risk Management strategy, the account will be subject to additional risks.

Event Risk Management Strategy Risk. The Event Risk Management strategy may involve entering into transactions involving options and futures that are expected to increase in value during the occurrence of certain market events. An instrument used to hedge market risk could lose all or a portion of its value even in a period of severe market stress. Implementation of the strategy may result in a client account holding options and futures positions that take contradictory views on market movements. The costs of purchasing and selling these instruments will generally reduce an account's return. An account may not be able to close out a position at the desired time or price. Options and futures are derivatives and thus a client account that employs an Event Risk Management strategy is subject to the additional risks associated with holding derivatives.

Item 9 – Disciplinary Information

There are no legal or disciplinary events to report that would be material to a client's or prospective client's evaluation of QS Investors' business or the integrity of the Firm's management.

Item 10 – Other Financial Industry Activities and Affiliations

QS Investors has direct business relationships with other Franklin Resources-affiliated companies. Some of these relationships are characterized as material because they allow the Firm to gain access to investors who might otherwise not be accessible to the Firm. Although these relationships could create a conflict of interest between QS Investors, QS Investors Affiliates and QS Investors' clients, the Firm's policies and procedures have been reasonably designed to ensure that all clients are treated fairly.

To eliminate a potential conflict of interest, QS Investors does not trade with any affiliated broker-dealers.

The following is a description of the material advisory relationships QS investors has with affiliated companies:

Advisory Services

- Investment manager of QS Investors DBI Global Emerging Markets Equity Fund LP. QS Investors Fund Management, LLC, a wholly owned subsidiary of QS Investors Holdings, LLC along with QS Investors, and under common management with QS Investors, is the general partner of this limited partnership. As general partner, QS Investors Fund Management, LLC has full and complete charge of all affairs of the fund, subject to the provisions of the fund's limited partnership agreement. QS Investors could face a conflict of interest between acting in the best interest of fund investors and in QS Investors' best interest;
- Investment manager of the Scholars Choice College Savings Program, a Section 529 college savings plan. Legg Mason Investor Services, LLC also serves as the manager of, and the distributor of interests in, this plan, and provides certain marketing, administrative and recordkeeping services with respect to such plan. The Scholars Choice College Savings Program is a Fund-of-Funds client of QS Investors; and
- QS Investors has entered into a relationship with LMPPG through which QS Investors will participate in managed account programs as a sub-adviser to LMPPG. QS Investors provides investment advisory services to LMPPG for one or more investment management strategies.

Sub-Advisory Services

- Investment adviser to offshore, (i.e., non-U.S.-domiciled) funds, in the Legg Mason Funds ICVC family of funds (England/Wales). Legg Mason Investment Funds Limited is the Authorised Corporate Director, Administrator and Registrar for these funds;
- Investment adviser to offshore funds for Legg Mason Global Funds Plc. Legg Mason Investments (Ireland) Limited is the manager and promoter of this family of funds. Legg Mason Investor Services, LLC, Legg Mason Investments (Europe) Limited, Legg Mason Asset Management Hong Kong Limited, Legg Mason Asset Management Singapore Pte Limited and Legg Mason Investments (Taiwan) Limited serve as distributors and shareholder servicing agents for these funds;
- Investment adviser to offshore funds for Legg Mason Global Solutions plc (Ireland). Legg Mason Investments (Ireland) Limited is the manager and promoter of this family of funds. Legg Mason Investor Services, LLC, Legg Mason Asset Management Hong Kong Limited, and Legg Mason Asset Management Singapore Pte Limited serve as distributors and shareholder servicing agents for these funds;
- Investment sub-adviser of Legg Mason Global Equity Trust (Australia). Legg Mason Asset Management Australia Limited is the Responsible Entity of this trust company;

- Investment sub-adviser to mutual funds offered by Legg Mason Global Asset Management Trust and Legg Mason Partners Equity Trust. Legg Mason Partners Fund Advisor, LLC is the investment manager and Legg Mason Investor Services, LLC is the distributor for these funds; and
- Investment sub-adviser to ETFs offered by Legg Mason ETF Equity Trust that are considered self-indexing funds. Legg Mason Partners Fund Advisor, LLC is the investment manager and Legg Mason Investor Services, LLC is the distributor for these ETFs. For further discussion of this relationship, see below under “Self-Indexing Funds and Affiliated Persons.”

Other Investment Services

QS Investors provides non-discretionary investment advice, trade recommendations and/or portfolio research services, in the form of model investment portfolios, stock scores and monthly strategic and tactical weights, to Legg Mason Asset Management (Japan) Co., Ltd. (“LM Japan”) as inputs in making investment decisions and/or asset allocation determinations for certain Japan-domiciled trusts of which LM Japan is the investment trust management company. QS Investors does not have the authority to make investment decisions or execute trades for these accounts.

Fund-of-Funds and Managed Account Portfolios: QS-Advised Funds and Affiliated Funds

The Underlying Funds in a Fund-of-Funds client account or a Managed Account Fund Portfolio that invests or recommends investments in funds will be comprised of QS-Advised Funds, Affiliated Funds, Non-Affiliated Funds, or a combination of such funds.³ A Fund-of-Funds’ prospectus or other offering document typically will identify the Underlying Funds in which the Fund-of-Funds invests, including QS-Advised Funds, Affiliated Funds and Non-Affiliated Funds.

If the interests of a Fund-of-Funds or discretionary Managed Account Fund Portfolio and any QS-Advised Fund or Affiliated Fund were ever to become divergent, it is possible that a conflict of interest could arise and affect how QS Investors’ investment professionals fulfill their fiduciary duties to such Fund-of-Funds, discretionary Managed Account Fund Portfolio, QS-Advised Fund or Affiliated Fund. In this scenario, QS Investors, the applicable QS Investors Affiliate and other interested parties, including the board of directors and officers of the applicable funds, would carefully analyze the situation and take all steps they believe reasonable to minimize, and where possible eliminate, the potential conflict.

For additional information concerning the conflicts of interest associated with Fund-of-Funds relationships and the mitigation of these conflicts of interest, see below under “Conflicts of Interest Associated with Fund-of-Funds and Managed Account Fund Portfolio” and “Mitigation of Conflicts of Interest Associated with Multi-Manager Investments.”

Manager-of-Managers Arrangements: QS-Managed Sleeves and Affiliated Managers

The Underlying Managers of Sleeves for a client account structured as a Manager-of-Managers arrangement will be comprised of QS Investors, Affiliated Managers, Non-Affiliated Managers, or some combination. Affiliates that may serve as an Underlying Manager in a Manager-of-Managers arrangement include the following entities:

- Brandywine Global Investment Management, LLC;
- ClearBridge Investments, LLC;

³ See Item 4 (Advisory Business) for definitions of terms that are commonly used in this Brochure to describe the Firm’s Fund-of-Funds and Manager-of-Managers arrangements.

- Legg Mason Investments (Europe) Limited;
- Martin Currie Inc.;
- Martin Currie Investment Management Limited;
- Royce & Associates, LP;
- Western Asset Management Company;
- Western Asset Management Company Limited; and
- Western Asset Management Company Pte Ltd.

Certain QS Investors Affiliates serving as Underlying Managers for client accounts may provide advice on commodity interests (e.g., futures and options on futures) as part of their management of such client accounts and may be registered as commodity trading advisors depending on the nature and extent of the commodity advice they provide.

For additional information concerning the conflicts of interest associated with Manager-of-Managers arrangements and the mitigation of these conflicts of interest, see below under “Conflicts of Interest Associated with Manager-of-Managers Arrangements” and “Mitigation of Conflicts of Interest Associated with Fund-of-Funds and Manager-of-Managers Arrangements.”

Conflicts of Interest Associated with Fund-of-Funds and Managed Account Fund Portfolios

As described in Item 5 (Fees and Compensation), Item 11 (Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading) and Item 14 (Client Referrals and Other Compensation) of this Brochure, a Fund-of-Funds or Managed Account Fund Portfolio client advised by QS Investors will indirectly bear the fees and expenses charged by the Underlying Funds in which it invests. Such fees and expenses are in addition to any investment advisory fee paid directly to QS Investors. In the case of an Underlying Fund that is a QS-Advised Fund, the QS-Advised Fund’s fees and expenses will include an advisory fee paid to QS Investors. In the case of an Underlying Fund that is an Affiliated Fund, the Affiliate Fund’s fees and expenses will include an advisory fee paid to the Affiliate. Separately, subject to an agreement between QS Investors and the affiliate, the affiliate may make a payment to QS Investors out of its general resources in consideration of the Fund being included in the model fund portfolio. Depending on the contractual arrangement agreed to by the client and QS Investors, fees paid by a QS-Advised Fund to QS Investors and an Affiliated Fund to a QS Investors Affiliate may or may not be credited against the advisory or service fees otherwise charged by QS Investors. As a result, QS Investors may receive more than one fee relating to the assets that are invested in QS-Advised Funds.

If a Fund-of-Funds client advised by QS Investors is a Section 529 college savings plan and invests in Underlying Funds that are Non-Affiliated Funds, QS Investors and QS Investors Affiliates may receive and retain fees from such funds or the adviser or distributor of such funds in respect of such invested assets. Fees received from Non-Affiliated Funds are not credited against the investment advisory fees otherwise charged by QS Investors to the college savings plan. Such fee arrangements are designed to help offset QS Investors’ expenses associated with maintaining an investment in a Non-Affiliated Fund on behalf of a college savings plan and may be a factor considered by QS Investors in selecting funds in which to invest college savings plan assets. Such fee arrangements are disclosed to and consented to by the applicable Section 529 college savings plan sponsors and are disclosed to college savings plan participants in applicable offering documents.

QS Investors’ advice to a Fund-of-Funds or Managed Account Fund Portfolio client to invest in QS-Advised Funds, Affiliated Funds and Non-Affiliated Funds will generally cause fees to be paid to QS Investors and QS Investors Affiliates. The amount of fees received by QS Investors and QS Investors Affiliates from such funds will vary. In light of such fee arrangements, QS Investors may be viewed as having the following conflicts of interest in providing asset allocation and fund selection advisory services:

- QS Investors may have an incentive to advise that client assets be invested in QS-Advised Funds instead of in Affiliated Funds or Non-Affiliated Funds;
- QS Investors may have an incentive to advise that client assets be invested in Affiliated Funds instead of in Non-Affiliated Funds;
- QS Investors may have an incentive to advise that client assets be invested in certain QS-Advised Funds that have higher advisory fees than other QS-Advised Funds;
- QS Investors may have an incentive to advise that client assets be invested in certain Affiliated Funds that have higher advisory fees than other Affiliated Funds;
- QS Investors may have an incentive to advise that client assets be invested in Non-Affiliated Funds that are willing to pay QS Investors and QS Investors Affiliates service-related fees;
- QS Investors may have an incentive to advise that client assets be invested in certain Non-Affiliated Funds that pay QS Investors and QS Investors Affiliates higher service-related fees than other Non-Affiliated Funds; and
- QS Investors may have an incentive to vary its asset allocation advice to increase the compensation paid to QS Investors and QS Investors Affiliates in light of the differential in fees paid to QS Investors and QS Investors Affiliates by QS-Advised Funds, Affiliated Funds and Non-Affiliated Funds.

However, QS Investors believes that such conflicts are mitigated in several ways, as described below under “Mitigation of Conflicts of Interest Associated with Fund-of-Funds and Manager-of-Managers Arrangements.”

Conflicts of Interest Associated with Manager-of-Managers Arrangements

As described in Item 5 (Fees and Compensation) of this Brochure, a Manager-of-Managers arrangement client typically will pay investment advisory fees to the Underlying Manager of each Sleeve in addition to QS Investors’ investment advisory fee. However, in the case of a Manager-of-Managers arrangement where all of the Sleeves are managed by QS Investors or QS Investors Affiliates, the client may pay a single fee to QS Investors with the understanding that QS Investors will compensate each QS Investors Affiliate separately for its sub-advisory services.

In certain Manager-of-Managers arrangements which include a select group of Affiliated Managers only, QS Investors may use a portion of its advisory fee to compensate each Affiliated Manager. QS Investors’ fee is generally based on a percentage of total account portfolio AUM under such arrangements. Under such arrangements, each Affiliated Manager’s compensation is generally based on a percentage of the portfolio assets allocable to such Affiliated Manager, and the rates of such fees among the Affiliated Managers may vary. Accordingly, when QS Investors increases allocations to Affiliated Managers receiving less compensation than other Affiliated Managers, the aggregate amount payable from QS Investors to all Affiliated Managers participating in the arrangement will decrease, thereby increasing QS Investors’ net compensation. Conversely, when QS Investors decreases allocations to Affiliated Managers receiving less compensation than other Affiliated Managers, QS Investors’ net compensation will decrease. When QS Investors increases allocations to QS-Managed Sleeves, it will retain a greater portion of the overall fee.

In light of such fee arrangements, QS Investors may be viewed as having the following conflicts of interest in providing asset allocation and manager selection advisory services:

- QS Investors may have an incentive to advise that client assets be invested with QS Investors instead of with Affiliated Managers;

- QS Investors may have an incentive to advise that client assets be invested with Affiliated Managers that charge lower advisory fees than other Affiliated Managers; and
- QS Investors may have an incentive to vary its asset allocation advice in order to increase QS Investors' net compensation in light of the differential in fees to be paid to Affiliated Managers by QS Investors.

In other Manager-of-Managers arrangements which may include QS-Managed Sleeves, Sleeves managed by Affiliated Managers and Sleeves managed by Unaffiliated Managers, QS Investors receives an advisory fee based on a percentage of total portfolio AUM in such arrangements, and no portion of such fee is used to compensate the Underlying Managers. The client pays a separate advisory fee to each Underlying Manager for the advisory services it provides with respect to its respective Sleeve. When QS Investors manages one or more QS-Managed Sleeves under such arrangements, QS Investors may or may not receive a fee for managing such Sleeves in addition to the fee it receives for providing services to the account as a whole that is based on a percentage of total portfolio AUM. Under such arrangements, QS Investors' advice to allocate assets in a client's portfolio to a QS-Managed Sleeve or a Sleeve managed by an Affiliated Manager will cause fees to be paid to QS Investors or such Affiliated Manager. The rate of fees earned by QS Investors or an Affiliated Manager may be greater than the rate of fees earned by another Affiliated Manager managing a different Sleeve. If QS Investors receives a fee for managing one or more QS-Managed Sleeves in addition to the fee it receives for providing services to the account as a whole, QS Investors' advice to allocate assets in a client's portfolio to a QS-Managed Sleeve will cause additional fees to be paid to QS Investors. In light of such fee arrangements, QS Investors may be viewed as having the following conflicts of interest in providing asset allocation and manager selection advisory services:

- QS Investors may have an incentive to advise that client assets be invested in QS-Managed Sleeves instead of in Sleeves managed by Affiliated Managers or Non-Affiliated Managers;
- QS Investors may have an incentive to advise that client assets be invested in Sleeves managed by Affiliated Managers instead of in Sleeves managed by Non-Affiliated Managers;
- QS Investors may have an incentive to recommend that client assets be invested in Sleeves managed by certain Affiliated Managers that charge higher fees than other Affiliated Managers; and
- QS Investors may have an incentive to vary its asset allocation advice in order to increase the compensation paid to QS Investors and Affiliated Managers in light of the fees paid by client accounts to QS Investors and Affiliated Managers with respect to QS-Managed Sleeves and Sleeves managed by Affiliated Managers.

However, QS Investors believes that these conflicts of interest are mitigated in several ways, as described directly below.

Mitigation of Conflicts of Interest Associated with Multi-Manager Investments

QS Investors believes that the conflicts of interest described above in its Multi-Manager Investments are mitigated in several ways.

1. QS Investors is operated as a separate business unit which is subject to its own set of compliance policies and procedures and which is operationally independent of any Affiliated Manager or QS Investors Affiliate that serves as an adviser to an Affiliated Fund.
2. The asset allocation and fund/manager selection and retention advice provided by QS Investors with respect to a Multi-Manager Investment is based on a combination of quantitative and fundamental

and market-related investment analyses, as described in Item 8 (Methods of Analysis, Investment Strategies and Risk of Loss) of this Brochure.

3. QS Investors' asset allocation advice may be subject to guidelines that establish target asset allocations and/or establish allocation bands that limit QS Investors' ability to vary an account's asset allocation. Such guidelines generally are set forth in the applicable management, advisory or services agreement, or otherwise agreed to in writing by QS Investors and the client. In the case of a client account that is an investment fund, such guidelines typically are disclosed to shareholders of, or participants in, such investment fund in accordance with applicable law. In addition, Compliance regularly monitors QS Investors' adherence to such guidelines.
4. Certain Multi-Manager Investments may have established limitations on the aggregate investments that may be made in QS-Advised Funds or Affiliated Funds or in QS-Managed Sleeves or Sleeves managed by Affiliated Managers or have specific quantitative and qualitative criteria (which may be set forth in the applicable management, advisory or services agreement) that are to be used by QS Investors in evaluating Underlying Funds, including QS-Advised Funds and Affiliated Funds, and Underlying Managers, including QS Investors and Affiliated Managers.
5. The fee arrangements applicable to Multi-Manager Investments, as well as any affiliation (or the potential for affiliation) between QS Investors and certain Underlying Funds or Underlying Managers, generally are set forth in the applicable management, advisory or services agreement or otherwise disclosed by QS Investors to the client. In the case of a client account that is an investment fund, the applicable fee arrangements and any affiliation (or the potential for affiliation) between QS Investors and certain Underlying Funds and Underlying Managers generally are disclosed, to the extent practicable, to shareholders of, or participants in, such investment fund in accordance with applicable law.
6. Depending on the specific nature of a client relationship, QS Investors' asset allocation and fund/manager selection advisory services may be subject to the prior approval of the client (in the case of a non-discretionary client relationship) or subject to review and oversight by the client or its board of directors or trustees.
7. QS Investors is subject to, and intends to comply with, fiduciary standards when investing or making recommendations with respect to client assets. QS Investors has adopted certain procedures to mitigate the conflicts of interest associated with Multi-Manager Investments, including oversight by the Firm's Governance Oversight Committee (whose members consist of certain senior management and Compliance personnel, including the Firm's Chief Compliance Officer) of any new, or substantial increases to, allocations to QS-Advised Funds or Affiliated Funds, or allocations to QS-Managed Sleeves or Sleeves managed by Affiliated Managers.

Self-Indexing Funds and Affiliated Persons

QS Investors provides investment sub-advisory services to certain Legg Mason ETFs operating as index-based ETFs (each a "Self-Indexing Fund") for which an "affiliated person," as defined in Section 2(a)(3) of the Investment Company Act, or a third party, serves as the Index Provider (as defined below). QS Investors utilizes a "passive" or indexing investment strategy designed to invest in a sample of securities that collectively has an investment profile matching that of the underlying index of each ETF.

For certain of the Self-Indexing Funds, QS Investors, an "affiliated person" as defined in Section 2(a)(3) of the Investment Company Act, has created a proprietary, rules-based methodology to create underlying indices that

will be used in the management of the Self-Indexing Funds. The construction (i.e., determination of index constituents and their weights) of the underlying indices is performed by either QS Investors or a third party (the “Third Party Index Calculation Agent”), or to some degree by both entities (each an “Index Provider”). For those Self-Indexing Funds in which a third party serves as the Index Provider, the Third Party Index Calculation Agent has been hired to calculate, compile, maintain and disseminate the customized indices based on methodologies provided by QS Investors. QS Investors owns the underlying indices, their parameters (i.e., weightings, capping factors and other similar data) and the respective methodologies for their construction, compilation and calculation.

As an “affiliated person” to the Self-Indexing Funds, QS Investors recognizes that its activities relating to the construction of the underlying indices could raise concerns regarding the potential ability of QS Investors to manipulate the underlying indices to the benefit or detriment of the Self-Indexing Funds. QS Investors further recognizes the potential for conflicts of interest that arise for the Firm and certain of its personnel who have access to or knowledge of changes to an underlying index’s composition methodology or the constituent securities in an underlying index prior to the time that the holdings of the Self-Indexing Funds are publicly disseminated. This information could be deemed to be material, non-public information. QS Investors believes that protections under the Investment Company Act and the Firm’s various policies and procedures help to mitigate these potential conflicts of interest, including implementation of “firewalling” procedures on the data and research used to generate the indices and personal trading restrictions on employees with knowledge of the constituents of an underlying index prior to the information being made public, and that maintaining full portfolio transparency of the Self-Indexing Funds also provides an additional mechanism for addressing certain potential conflicts of interest. The QS Investors Index Committee, as part of the Firm’s overall governance structure, is responsible for overseeing the suite of QS-owned underlying indices used in the management of the Self-Indexing Funds, with a focus on monitoring its ongoing functioning, ensuring regulatory compliance (e.g., Self-Indexing Funds exemptive relief or exchange listing requirements), approval of underlying index methodology changes, and oversight of proper notification of those changes.

Commodity Trading Advisor

As part of its regular advisory and management business, QS Investors provides investment advice or recommendations to certain of its advisory clients relating to or involving commodity interests subject to the jurisdiction of the Commodity Futures Trading Commission (“CFTC”). Accordingly, QS Investors is registered with the CFTC as a Commodity Trading Advisor (“CTA”) and is a member of the National Futures Association (“NFA”). In addition, certain employees of QS Investors are registered with the NFA as Associated Persons and Principals of QS Investors. An Associated Person is an individual permitted to solicit funds on behalf of a CTA, which allows such individual to discuss investment strategies involving commodity interests with clients and prospects.

Sponsorship and Management of Collective Investment Vehicles

QS Investors manages, and its affiliate serves as general partner of, a private investment partnership offered to accredited investors in reliance on Rule 506 of the 1933 Act. Additional information about the vehicle is provided in Part 1 of QS Investors’ Form ADV.

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

Code of Ethics and Personal Trading

As part of an overall internal compliance program, and pursuant to Rule 204A-1 of the Investment Advisers Act of 1940, as amended (the “Advisers Act”), QS Investors has adopted a code of ethics (“Code of Ethics”) and other associated policies and procedures. The Code of Ethics and associated policies are based on the principle that QS Investors owes a fiduciary duty to its clients and emphasizes that QS Investors’ employees must avoid activities, interests and relationships that might: (1) present a conflict of interest or the appearance of a conflict of interest with QS Investors’ clients; or (2) otherwise interfere with QS Investors’ ability to make decisions in the best interests of the Firm’s clients. The Code of Ethics and associated policies impose standards of business conduct, including requirements to put client interests first and not to take inappropriate advantage of employment-related information. The Code of Ethics also imposes restrictions, described below, on employee personal securities transactions and accounts.

Investing and Trading in Securities Recommended to Clients

QS Investors’ employees are permitted to trade for their personal accounts in securities which are recommended, purchased or sold for the Firm’s clients. To help manage this inherent conflict of interest, the Code of Ethics limits employee trading activity to ensure that clients’ interests are placed ahead of the Firm’s or employees’ personal interests. The Code of Ethics requires QS Investors’ employees to, among other things:

- Disclose personal brokerage accounts and holdings to Compliance, including any accounts in which they have joint or beneficial interest or control (“employee-related accounts”);
- Instruct their brokers to provide Compliance with duplicate trade confirmations and account statements;
- Obtain approval for securities transactions from Compliance prior to executing trades in employee-related accounts (certain exclusions apply);
- File a quarterly transaction report containing information about reportable trades in employee-related accounts during the prior calendar quarter;
- File an annual holdings report containing information about all holdings in employee-related accounts as of calendar year-end;
- Confirm annually that they have read, understand and will comply with the Code of Ethics; and
- Report any violation or potential violation of the Code of Ethics to Compliance.

The Code of Ethics also contains further restrictions regarding personal trading activity, including but not limited to:

- Employees are prohibited from buying, selling, or recommending the purchase or sale of a security while they are in possession of material, non-public information.
- Employees may not purchase a security while a client order is pending (certain exclusions apply); and
- Employees may not participate in IPOs or other new issues.

In addition to restrictions and requirements regarding personal trading, the Code of Ethics and associated policies also include provisions that address other areas where the potential for conflicts of interest exist. These include:

- Reporting of gifts and entertainment exchanged between employees and external business partners, including clients, consultants, brokers and vendors;
- Limits on the type, frequency and value of business gifts and entertainment given to or received by employees;
- Pre-clearance and reporting of all political contributions or gifts made by “covered associates” as defined under Rule 206(4)-5 promulgated under the Advisers Act; and
- Reporting of all outside business activities that may be in conflict with an employee’s job responsibilities and/or duty to the Firm’s clients.

The Code of Ethics also places restrictions on employees serving on the board of directors of a publicly held company and knowingly participating in or facilitating late trading, market timing or any other activity in violation of applicable law or the provisions of a fund’s governing documents.

As noted above, employees or family members are permitted to purchase, hold or sell securities at or around the same time that QS Investors purchases, holds or sells the same securities for client accounts. The personal actions by these individuals could also be different in nature or timing from the advice and actions taken by QS Investors for client accounts.

Employees are permitted to hold a beneficial interest in QS Investors-managed (or sub-advised) investment products, including mutual funds, ETFs and other commingled funds (including QS-Advised Funds). In these cases, employees may have direct knowledge of current fund holdings, which is non-public information. QS Investors and QS Investors Affiliates maintain informational barrier policies and procedures that restrict QS Investors’ access to material non-public information relating to the investment intentions, activities, transactions and portfolio holdings of Affiliated Funds and in Sleeves managed by Affiliated Managers. In addition, the Affiliated Funds are subject to portfolio holdings disclosure policies that allow QS Investors and employee access only to portfolio holdings information that has been publicly disclosed.

While these activities create potential conflicts of interest between QS Investors, its employees and clients, QS Investors believes that its Code of Ethics, combined with the Firm’s other policies and procedures, are reasonably designed to address these matters.

Despite the measures outlined above, clients should be aware that no set of policies and procedures can anticipate or relieve all potential conflicts of interest. If an unanticipated conflict of interest should arise, QS Investors will seek to resolve the situation in the best interests of the Firm’s clients.

Obtaining a Copy of QS Investors’ Code of Ethics

QS Investors’ clients or prospective clients may request a copy of QS Investors’ Code of Ethics by contacting Compliance or an account representative at 212-886-9200.

Securities in which QS Investors or a QS Investors Affiliate has a Material Financial Interest

As described in Item 5 (Fees and Compensation), Item 10 (Other Financial Industry Activities and Affiliations) and Item 14 (Client Referrals and Other Compensation) of this Brochure, a Fund-of-Funds client advised by QS Investors will indirectly bear the fees and expenses charged by the Underlying Funds in which it invests. Such fees and expenses are in addition to any investment advisory fee paid directly to QS Investors. In the case of an

Underlying Fund that is a QS-Advised Fund, the QS-Advised Fund's fees and expenses will include an advisory fee paid to QS Investors. In the case of an Underlying Fund that is an Affiliated Fund, the Affiliate Fund's fees and expenses will include an advisory fee paid to the Affiliate. Separately, subject to an agreement between QS Investors and the affiliate, the affiliate may make a payment to QS Investors out of its general resources in consideration of the Fund being included in the model fund portfolio. Depending on the contractual arrangement agreed to by the client and QS Investors, fees paid by a QS-Advised Fund to QS Investors and by an Affiliated Fund to a QS Investors Affiliate may or may not be credited against the advisory or service fees otherwise charged by QS Investors.

If a Fund-of-Funds client advised by QS Investors is a Section 529 college savings plan and invests in Underlying Funds that are Non-Affiliated Funds, QS Investors and QS Investors Affiliates may receive and retain fees from such funds or the adviser or distributor of such funds in respect of such invested assets. Fees received from Non-Affiliated Funds are not credited against the investment advisory fees otherwise charged by QS Investors to the college savings plan. Such fee arrangements are designed to help offset QS Investors' expenses associated with maintaining an investment in a Non-Affiliated Fund on behalf of a college savings plan and may be a factor considered by QS Investors in selecting funds in which to invest college savings plan assets. Such fee arrangements are disclosed to and consented to by the applicable Section 529 college savings plan sponsors and are disclosed to college savings plan participants in applicable offering documents.

QS Investors' advice to a Fund-of-Funds client to invest in QS-Advised Funds, Affiliated Funds and Non-Affiliated Funds will generally cause fees to be paid to QS Investors and other QS Investors Affiliates. The amount of fees received by QS Investors and other QS Investors Affiliates from such funds will vary. In light of such fee arrangements, QS Investors may be viewed as having certain conflicts of interest in providing asset allocation and fund selection advisory services. These conflicts of interest, and the manner in which QS Investors mitigates those conflicts of interest, are described in Item 10 (Other Financial Industry Activities and Affiliations) of this Brochure.

Participation or Interest in Other Client Transactions

QS Investors may, in limited circumstances, invest and manage proprietary capital of the Firm, the Firm's affiliates, or the Firm's parent company for the purposes of seeding new investment vehicles or strategies. In these scenarios, proprietary capital will typically be withdrawn from the vehicles upon client investment in the vehicles. Aside from the limited scenarios in which QS Investors provides seed capital for new investment vehicles or strategies, QS Investors does not manage or invest the Firm's proprietary capital. As such, opportunities for the Firm's participation or interest in client transactions are limited.

In the Firm's role as sub-adviser for various registered investment companies, situations may arise in which trades are executed with brokers that distribute the funds that the Firm manages. These trades, like all other trades executed for the Firm's clients, are executed solely with the belief that the broker can provide best execution. "Quid pro quo" arrangements that would direct trades to brokers in exchange for distribution or other services are expressly forbidden by Firm policy.

Item 12 – Brokerage Practices

Best Execution

Unless otherwise directed by clients, QS Investors has the discretion to choose broker-dealers to execute trades for client accounts and to determine the commissions paid to them. Broker-dealers are selected for trading in client accounts based on their ability to achieve the best possible result reasonably available for each client for each transaction, or “best execution.” Best execution is not necessarily measured by the circumstances surrounding a single transaction but is generally measured over time through multiple transactions.

QS Investors uses a range of strategies designed to manage transaction costs, which consist of explicit costs, such as commissions, fees, and taxes, as well as implicit costs, also known as market impact. To best preserve investment returns, QS Investors seeks to minimize the total transaction costs of trading.

QS Investors manages explicit costs of trading by negotiating competitive commission rates. Implicit costs are managed through careful choice of execution strategies, real-time trade management and detailed post-trade analysis.

Factors Considered in the Selection of Broker-Dealers

While execution price and commission rates are often important factors in selecting a broker-dealer, QS Investors also considers a number of other qualitative factors when evaluating a broker-dealer’s ability to deliver best execution. These other factors may include:

- Reliability and accuracy of the broker-dealer;
- Execution capability, taking into account the promptness of execution, the ability to execute the full size of the trade and the nature and difficulty of the trade in view of the order’s characteristics (i.e., the size, difficulty of execution, etc.), and current or prevailing market conditions;
- Specialized expertise, taking into account the security or asset class (i.e., complexity, familiarity, etc.);
- Operational capabilities and technology infrastructure;
- Confidentiality; and
- Any other factor permitted/required that is deemed important in evaluating execution quality.

QS Investors does not receive client referrals from any broker-dealers; thus, client referrals do not influence QS Investors when selecting broker-dealers for trade execution.

Approved Broker List

Broker-dealers are selected from the Firm’s approved broker list. Relationships with each broker-dealer are evaluated on an ongoing basis to ensure that the Firm only partners with broker-dealers that meet the standards that QS Investors has established through its broker approval process. Brokers are evaluated based on their:

- Creditworthiness;
- Experience and familiarity with instruments within the investment universe;
- Stability and continuity of coverage;
- Regulatory standing; and
- Ability to meet specific client requirements.

Before QS Investors begins trading with a broker-dealer, they are evaluated by the Firm's Governance Oversight Committee to verify that they meet the requirements of our broker approval procedures. Once a broker-dealer is added to the list, they are subject to ongoing review to confirm that they maintain the requirements of our procedures. Broker-dealers can be removed from our approved list at any time for failure to meet our firm standards.

As a matter of policy, QS Investors does not trade with any broker-dealer affiliated with QS Investors.

Counterparties for OTC Derivatives Transactions

To the extent permitted by the investment policies and guidelines applicable to a client account, QS Investors may enter into various types of OTC derivatives transactions, including swaps, options, and foreign currency forwards, on behalf of such client account. Such transactions involve potential counterparty credit risk for QS Investors' clients beyond that associated with normal exchange-traded securities transactions that settle shortly after trade date and with exchange-traded derivative transactions (e.g., futures and options). QS Investors has adopted certain risk management policies and procedures relating to OTC derivatives transactions to seek to mitigate the exposure of QS Investors' client accounts to counterparty credit risk in connection with such transactions. Such policies and procedures include reviewing and monitoring the financial condition and credit rating of counterparties, engaging in such transactions only with approved counterparties, implementing counterparty credit risk exposure limits, and engaging in such transactions for limited time periods (i.e., short maturities).

Evaluation of Broker-Dealers

Broker performance is reviewed on a continuous basis. The lead portfolio manager of each strategy reviews execution on a post-trade basis to verify the integrity of the overall best execution process. The Firm's Governance Oversight Committee provides additional oversight by reviewing best execution with each lead portfolio manager no less frequently than quarterly.

No Participation in Soft Dollars Arrangements

QS Investors does not receive soft dollar benefits from client transactions or enter into commission sharing arrangements; however, QS Investors often receives research from broker-dealers through which securities transactions are executed during the normal course of business. QS Investors does not consider this research as a factor under the Firm's policy to seek best execution for its clients or during its broker selection process.

Directed Brokerage

Clients have the option to retain discretion over the broker-dealers the Firm uses to execute trades in their account by: (1) limiting the broker-dealers to be used to execute transactions in their account; and/or (2) requiring a portion or all trading be conducted with one or more broker-dealers. QS Investors has an obligation to seek best execution for all client trades, but the Firm's inability to choose the broker-dealer(s) that it believes offer best execution may impede the Firm's ability to do so. Clients that direct brokerage may not be able to participate in aggregated orders and may receive execution that is not as favorable as, and potentially more costly than, trades executed for other clients.

In an effort to achieve best execution for clients that have retained discretion over all or a portion of broker selection, QS Investors may use “step-out” trading to meet the directed brokerage obligation. In these cases, the broker-dealer that QS Investors selects must agree to transfer the portion of an aggregated order that pertains to a directed-brokerage client to the specified broker-dealer. This action is known as a “step-out” or “give-up” transaction. In these transactions, the first broker-dealer executes the trade, while the second one clears and settles all, or part, of the trade in return for all, or part, of the commission.

Step-out transactions allow QS Investors’ traders to satisfy client-directed brokerage commitments while matching trades to broker-dealers’ expertise or order flows, which can reduce market impact. If the executing broker-dealer QS Investors selects for trade execution does not agree to participate in a step-out transaction, the trade for a directed-brokerage client will be executed separately by their specified broker-dealer and not aggregated with like orders for other clients. Transaction costs for these trades may differ from those obtained from an executing broker-dealer chosen by QS Investors.

Clients with directed brokerage may pay higher commissions than others in aggregated orders. For example, commission costs in an aggregated transaction may vary if QS Investors steps out a portion of the trade to a designated broker-dealer. Because of certain predetermined liquidity constraints imposed by QS Investors with respect to the Firm’s securities trading, the Firm may not execute the same number of shares (or fill percentage) in trades for clients with directed brokerage versus those executed on behalf of clients without such arrangements. If QS Investors does not include clients with directed brokerage in an aggregated order, the Firm strives to generate its separate orders in an equitable manner.

Directed brokerage arrangements and their conditions must be specified in investment management agreements or other contractual arrangements at the beginning of each client relationship. Before entering into an agreement with QS Investors, clients should be fully aware of the potential impact of directed brokerage on trade execution.

Trade Aggregation and Allocation

Although each client account is individually managed, QS Investors will often buy or sell the same securities on the same day for multiple client accounts. When possible, QS Investors generally aggregates these transactions as a single transaction order, which often has the effect of reducing transaction costs. With limited exceptions, each client will be allocated the average execution price and the average commission paid in the aggregated order. If QS Investors cannot completely fill an aggregated order, the Firm will typically allocate the partially filled transactions to clients on a pro-rata basis.

QS Investors generally bases the pro-rata allocation on each client’s order size relative to the aggregated order. Occasional exceptions may be based on factors including the following:

- Available cash in client accounts;
- Compliance with client-specific guidelines and restrictions;
- QS Investors’ risk controls; and
- Rules and regulations established by an exchange, market or others.

In some situations, QS investors may not be able to or choose not to aggregate orders for client accounts. These situations could result from the following:

- Countries with market restrictions, as is the case in some emerging markets;
- Trades in the same security that are released to a broker-dealer at different times of the day;

- Trades in the same security that are released to the same broker-dealer at the same time but with different trading instructions;
- Short sales of securities where QS investors chooses to trade with an account's designated prime broker in order to seek "best execution" or maintain a specific long-short ratio; and
- Participation in client-directed brokerage arrangements.

When trades are not aggregated, they do not typically receive the same average execution price. In these situations, QS Investors seeks to have broker-dealers generate separate orders equitably. When QS Investors is unable to aggregate trades, accounts may have higher market impact costs. QS Investors seeks to reduce these costs by monitoring security liquidity and limiting trade volumes.

As more fully described above under "Directed Brokerage," whenever possible, QS Investors includes transactions for directed-brokerage clients in aggregated orders.

QS Investors confirms that broker-dealers follow the Firm's trade instructions properly. In addition, Compliance periodically reviews partially filled trade allocations among client accounts to ensure that they have been conducted in accordance with the Firm's trade allocation policy.

Delays in executing trade orders and deviations from QS Investors' trade allocation policy may occur from time to time due to various circumstances and are generally not considered trade errors.

Managed Account Programs

In addition to the policies stated above to promote fair and equitable treatment of all client accounts, QS Investors maintains a Trade Communication Policy which requires that all model portfolios be disseminated simultaneously (subject to system limitations or unanticipated events). With respect to QS Investors institutional client accounts managed pursuant to the same investment model, updates to model portfolios will be communicated to QS Investors investment personnel for implementation at the same time as communicated to other model recipients (including LMPPG and program sponsors).

Depending on the program type, upon receipt of a model portfolio, LMPPG will implement the model portfolio or disseminate the model portfolio to program sponsors or their designees in accordance with LMPPG's Trade Communication Policy, which is described in LMPPG's ADV Brochure (Item 12). Communication of model portfolios and instructions from LMPPG to sponsor firms (or their designees) is subject to LMPPG's Trade Communication Policy.

When QS Investors serves as sub-adviser to LMPPG, QS Investors does not have trade placement responsibility. For a discussion of trading practices applicable to these arrangements, please refer to Item 12 of LMPPG's ADV Brochure for a description of their trading practices.

Model portfolio clients may experience account performance that is different from the results obtained for accounts that are managed and traded by QS Investors outside of managed account programs due to the timing and implementation of QS Investors model portfolio by a sponsor, overlay manager, or LMPPG.

Cross Trading

Except under very rare circumstances, QS Investors does not engage in cross trades, which are generally defined as the matching of buy and sell orders for the same security in different client accounts, either internally or externally through a broker. The reason for a cross trade would be to benefit client accounts by reducing trade execution costs. Each cross trade must be approved by Compliance, achieve best execution, and meet all regulatory requirements.

New Issues

For most investment strategies (and then only rarely), QS Investors does not directly participate in IPOs or other new issues offerings. However, Affiliated Funds and Non-Affiliated Funds in Fund-of-Funds, and Sleeves of client accounts managed by Underlying Managers selected by QS Investors in Manager-of-Managers arrangements, may invest in IPOs and other new issues offerings.

Side-by-Side Management Arrangements

As noted and discussed in Item 6 (Performance-Based Fees and Side-by-Side Management) of this Brochure, certain of the Firm's portfolio managers manage long-only accounts alongside accounts that buy securities both long and short ("side-by-side management arrangements").

Errors That Affect Client Accounts

In accordance with Firm policy, any error affecting a client account must be resolved fairly, promptly, and in accordance with applicable regulations. Any losses incurred as a result of a QS Investors error are reimbursed, regardless of the amount; gains, where permitted, are retained for the benefit of the client in the client account.

Corrective action to resolve errors must be approved by Compliance and management.

Item 13 – Review of Accounts

Portfolio Manager Reviews

Accounts are reviewed by the Firm's portfolio managers on a continuous basis to ensure that investments are appropriate for each account in accordance with the client's established guidelines and investment objectives. Compliance also reviews each account with the use of automated tools to confirm adherence to investment guidelines, restrictions, and applicable regulatory requirements.

Portfolio managers, in their role as traders, also review transactions on a post-trade basis to verify that orders have been executed in accordance with trading instructions.

Performance is formally reviewed monthly by portfolio managers and quarterly by the Firm's Investment Oversight Committee. The Investment Oversight Committee reviews performance by investment strategy, attribution, and the consistency of the performance with respect to strategy objectives. In addition, performance dispersion within each strategy, among other things, is reviewed on a monthly basis by the Firm's Governance Oversight Committee. Accounts that do not fall within a reasonable deviation of the overall strategy performance are reviewed in more detail by the Governance Oversight Committee to better understand causes for appreciable differences in performance.

Compliance Reviews

Compliance monitors most client investment guidelines and restrictions for client accounts on both a pre- and post-trade basis through a software application integrated with the Firm's order management system. The compliance application tests the rules coded for each portfolio at order entry. Compliance also reviews post-trade exception reporting to ensure that market fluctuations or other actions have not resulted in any breach of investment guidelines or restrictions.

Investment guidelines and restrictions that cannot be monitored automatically are typically reviewed manually each month on a post-trade basis. In addition, Compliance periodically monitors trading activity to confirm the absence of manipulative trading practices and that no strategies or accounts appear to receive preferential treatment.

Triggers for Review

More frequent reviews may be triggered by other events unrelated to performance or trading activity. Examples of such triggers may include: significant market events, changes in account guidelines, regulatory reform or new interpretive guidance from regulators, client requests for review, and changes in the Firm's internal processes and/or strategies.

Client Reporting

Clients generally receive reports about their account(s) on a monthly or quarterly basis. The standard reporting package provided to the Firm's clients may include:

- Securities held, including quantities;
- Cost and reported or estimated market value of each position held;
- Total market value of the account;
- Summaries of transactions;

- Performance returns;
- Performance attribution relative to benchmark returns; and
- Discussion of portfolio performance and/or market commentary.

The nature and frequency of reports each client receives will vary dependent on their requirements. Customized or specialized packages or more frequent delivery can be arranged in order to better meet a client's reporting needs. Typically, a client's reporting requirements are documented during the client on-boarding process and can be modified at any time during the life of the relationship.

The information on these reports should not be considered the official record of a client account. QS Investors considers the client's custodian the official record keeper for each account. As described in Item 15 (Custody) of this Brochure, clients should receive account statements from their custodians on a regular basis.

Upon request, QS Investors also provides annual (or more frequent) proxy voting summary reports to clients for whom the Firm exercises voting responsibility.

Frequency and Nature of Account Reviews for QS Investors' Asset Allocation and Fund/Manager Selection Advisory Services

In the case of a Fund-of-Funds arrangement, the review process includes analyses of the applicable Fund-of-Funds as well as the Underlying Funds and their investment advisers. In the case of a Manager-of-Managers arrangement, the review process includes analyses of the overall portfolio as well as the various portfolio Sleeves and Underlying Managers.

The review process includes both quantitative and qualitative elements. The quantitative elements of the client account review include:

- A performance attribution analysis for the applicable sources of investment return;
- A statistical analysis of historical returns and portfolio characteristics; and
- Additional financial and economic analyses.

The qualitative aspects of the client account review are primarily focused on the Underlying Managers or the investment advisers to Underlying Funds, as applicable. Qualitative reviews typically include a review and assessment of:

- The background and qualifications of key investment personnel;
- Investment processes;
- Organizational stability and business changes;
- Client service resources;
- Compliance procedures and risk controls; and
- Regulatory filings.

Such reviews also may include due diligence discussions and periodic on-site visits.

QS Investors may invest in Underlying Funds, including QS-Advised Funds and Affiliated Funds, that have a limited operating and performance history where QS Investors determines that such investment is consistent with a Fund-of-Fund's investment objectives.

In the case of QS-Managed Sleeves, QS Investors' portfolio managers review such Sleeves and the securities and other instruments held within such Sleeves on a daily basis. Such reviews generally focus on the continued investment appropriateness of the Sleeve's composition, in light of factors such as the investment objective and strategy applicable to the Sleeve and market conditions. To the extent applicable, such reviews may include consideration of the Sleeve's performance relative to benchmark performance. As part of such reviews, portfolio managers may utilize performance attribution analysis to help assess portfolio diversification and understand differences in portfolio composition relative to that of the applicable benchmark.

Managed Account Programs

Sponsor Firms typically prepare and send regular account statements to clients in Sponsor Firm investment programs. QS Investors does not send regular account reports to such clients but may agree to provide certain account information upon request.

Item 14 – Client Referrals and Other Compensation

Client Referrals

QS Investors and its affiliates directly market the firm's services. From time-to-time, unaffiliated individuals and entities provide QS Investors with client referrals. Solicitors that refer QS Investors to new clients may be paid fees that are generally based on a percentage of the investment advisory fees paid to QS Investors by those clients but may also include a flat fee, in accordance with written solicitation agreements. These fees are paid directly by QS Investors and not by our clients, who are not assessed any additional charges. Any solicitation arrangement QS Investors enters into will comply with the requirements of Rule 206(4)-3 under the Advisers Act.

If the solicitors are unaffiliated with QS Investors, they must provide clients with a disclosure describing the terms and conditions of the solicitation arrangement, including their compensation from QS Investors, and a copy of QS Investors' Brochure. Upon entering into an advisory contract with QS Investors, clients referred by unaffiliated solicitors are required to provide signed and dated acknowledgement that they received the disclosure statement and Brochure. Solicitors that are affiliated with QS Investors are only required to disclose the nature of the relationship.

While consultants may refer QS Investors to their clients, it is not QS Investors' practice to pay referral fees to consultants. However, some consultants charge investment advisers a fee to obtain or respond to requests for proposals or participate in manager searches. Some consultants may also charge a fee to an investment adviser when they award business to that adviser. This fee is typically based on a percentage of the investment advisory fee for the awarded mandate.

QS Investors purchases products or services from certain consultants, such as portfolio analytics, benchmark index data, and database access. Additionally, QS Investors has paid and may pay to attend consultant-sponsored conferences. The Firm has also contributed and may contribute to charitable events sponsored by clients and consultants as well as provide them with limited gifts and entertainment in accordance with Firm policy. Consultants and clients could face possible conflicts of interest as a result of these purchases and contributions.

Fees Received by QS Investors and QS Investors Affiliates from Someone Other than a Client

As described in Item 5 (Fees and Compensation), Item 10 (Other Financial Industry Activities and Affiliations) and Item 11 (Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading) of this Brochure, a Fund-of-Funds client advised by QS Investors will indirectly bear the fees and expenses charged by the Underlying Funds in which it invests. Such fees and expenses are in addition to any investment advisory fee paid directly to QS Investors. In the case of an Underlying Fund that is a QS-Advised Fund, the QS-Advised Fund's fees and expenses will include an advisory fee paid to QS Investors. In the case of an Underlying Fund that is an Affiliated Fund, the Affiliate Fund's fees and expenses will include an advisory fee paid to the Affiliate. Separately, subject to an agreement between QS Investors and the affiliate, the affiliate may make a payment to QS Investors out of its general resources in consideration of the Fund being included in the model fund portfolio. Depending on the contractual arrangement agreed to by the client and QS Investors, fees paid by a QS-Advised Fund to QS Investors and by an Affiliated Fund to a QS Investors Affiliate may or may not be credited against the advisory or service fees otherwise charged by QS Investors.

If a Fund-of-Funds client advised by QS Investors is a Section 529 college savings plan and invests in Underlying Funds that are Non-Affiliated Funds, QS Investors and QS Investors Affiliates may receive and retain fees from

such funds or the adviser or distributor of such funds in respect of such invested assets. Fees received from Non-Affiliated Funds are not credited against the investment advisory fees otherwise charged by QS Investors to the college savings plan. Such fee arrangements are designed to help offset QS Investors' expenses associated with maintaining an investment in a Non-Affiliated Fund on behalf of a college savings plan and may be a factor considered by QS Investors in selecting funds in which to invest college savings plan assets. Such fee arrangements are disclosed to and consented to by the applicable Section 529 college savings plan sponsors and are disclosed to college savings plan participants in applicable offering documents.

QS Investors' advice to a Fund-of-Funds client to invest in QS-Advised Funds, Affiliated Funds and Non-Affiliated Funds will generally cause fees to be paid to QS Investors and other QS Investors Affiliates. The amount of fees received by QS Investors and other QS Investors Affiliates from such funds will vary. In light of such fee arrangements, QS Investors may be viewed as having certain conflicts of interest in providing asset allocation and fund selection advisory services. These conflicts of interest, and the manner in which QS Investors mitigates those conflicts of interest, are described in Item 10 (Other Financial Industry Activities and Affiliations) of this Brochure.

Item 15 – Custody

QS Investors does not have physical custody of funds or securities in client accounts. Instead, each client contracts with a qualified custodian of their choice to take possession of the assets in their account. The custodian is also responsible for settling transactions, accepting instructions from QS Investors regarding the account assets and informing QS Investors of additions and withdrawals from the client account. QS Investors is not responsible for the acts of a client's custodian or for direct account expenses, such as custodial fees and brokerage expenses.

However, QS Investors may be deemed to have constructive custody of client assets if QS Investors has the authority pursuant to an agreement with a client to instruct the client's custodian to deduct and pay QS Investors' advisory fees from the client's account. QS Investors also may be deemed to have constructive custody of the assets in a particular client account if, under rare circumstances, QS Investors is responsible for establishing and maintaining custody arrangements to hold and maintain such client's funds and securities and has the authority to instruct the custodian with respect to the transfer or withdrawal of funds and securities from the client's account in order to provide contracted for services and to collect fees owed to QS Investors and its affiliates for such services.

As noted in Item 10 (Other Financial Industry Activities and Affiliations) of this Brochure, QS Investors (or QS Investors Fund Management, LLC) acts as the general partner or managing member of certain commingled funds. The authority granted to managing members of limited liability companies, general partners of limited partnerships, or comparable positions held for other types of commingled funds may provide such persons or entities access to client funds or securities. As a result, QS Investors is deemed to have constructive custody of the assets of those commingled funds. Such assets are maintained with a "qualified custodian" and are audited annually by an independent public accountant registered with the Public Company Accounting Oversight Board ("PCAOB"). Audited financial statements are delivered to investors of the commingled funds in accordance with Rule 206(4)-2 of the Advisers Act.⁴

Where QS Investors is deemed to have constructive custody of the assets in a client's account, QS Investors will confirm that the broker-dealer, bank or other qualified custodian of the client's account will send directly to the client quarterly or more frequent account statements reflecting the securities and other assets held, and all transactions occurring, in the client account during the period. A client should carefully review any account statements it receives directly from its qualified custodian. In addition, QS Investors urges clients to compare account statements they receive directly from their qualified custodians to account statements and reports they receive from QS Investors. Statements and reports received from QS Investors may differ from statements received from the qualified custodian due to differences in accounting procedures, reporting dates or valuation methodologies with respect to certain securities. Clients should contact their account representative if they are not receiving accounts statements from their custodian.

⁴ The client funds and securities of which QS Investors is deemed to have custody must be subject to an annual surprise examination by an independent public accountant unless the commingled funds that hold such funds and securities are audited at least annually and the audited financial statements are distributed to the investors of the commingled funds as required under Rule 206(4)-2 of the Advisers Act.

Item 16 – Investment Discretion

Before assuming discretionary authority over a client account, QS Investors enters into a written investment management or similar agreement with the client that sets forth the nature and extent of QS Investors' discretionary authority over the client's account.

Most clients grant QS Investors discretionary authority over their accounts, including the following decisions:

- Type and amount of securities purchased and sold;
- Prices at which to transact;
- Broker-dealers selected for trade executions; and
- Commissions paid to broker-dealers.

Clients may elect to set limitations on this discretionary authority by placing guidelines, including restrictions and limitations, on activity within their account. Guidelines are generally set forth in the investment management or advisory agreement between QS Investors and the client, or in the case of a fund, in the fund's prospectus or other offering document. Guidelines are generally established at the beginning of a client relationship but can be changed throughout the life of the relationship at a time of the client's choosing. Examples of such guidelines may include:

- Restrictions or prohibitions on the types of securities, issuers, asset classes, industries/sectors, or countries that are permitted to be held in an account;
- Restrictions on the amount of securities, issuers, asset classes, industries/sectors, or countries that are permitted to be held in an account;
- Restrictions or prohibitions on the investment practices (e.g., short sales, hedging, etc.) that are permitted to be used in an account; and
- Restrictions on brokers that are permitted to be used to execute transactions in an account.

Despite such restrictions, QS Investors typically considers these accounts to be discretionary.

Client guidelines may impede QS Investors' ability to manage accounts similarly to others within an investment strategy and may lead to performance dispersion among a group of like accounts. Prior to entering into agreements with clients, QS Investors discusses with clients the potential impact that certain client-mandated guidelines or restrictions may have on their accounts.

QS Investors may also provide investment advisory services on a non-discretionary basis, generally when clients are responsible for executing trades in their accounts or when they have the discretion to reject QS Investors' trade recommendations. In addition, for certain clients, QS Investors provides investment advice, trade recommendations and/or portfolio research services. In these circumstances, clients retain full investment and trading discretion over their accounts.

Managed Account Programs

QS Investors provides model portfolios for use in managed account programs through its relationship with LMPPG as a sub-advisor as described in Item 4 (Advisory Business). QS Investors has discretionary authority to determine the securities to be bought, held and sold for client accounts (security selection discretion) in accordance with the strategy selected by the client in Discretionary Model-Based Programs as derived from the

sub-advisory agreement entered into by QS Investors with LMPPG. QS Investors does not have security selection discretion with respect to client accounts under Non-Discretionary Model-Based Programs.

QS Investors does not have trading discretion under any type of managed account program.

Item 17 – Voting Client Securities

In the case of certain client accounts, QS Investors has proxy voting authority with respect to the securities held in such accounts. In the case of other client accounts, proxy voting authority is reserved to the client or assigned to a party other than QS Investors, such as an Underlying Manager in a Manager-of-Managers arrangement. Whether QS Investors has proxy voting responsibility with respect to a particular client account typically is determined by the terms of QS Investors' investment management, advisory or other service agreement with the client.

To ensure that all votes are cast equitably and in what the Firm believes, in good faith, to be the best interest of all clients, and in accordance with Rule 206(4)-6 of the Advisers Act, QS Investors has adopted a Proxy Voting Policy and has retained Institutional Shareholder Services, Inc. ("ISS"), a third-party proxy advisory firm, as its proxy voting agent. ISS obtains proxy ballots, provides vote recommendations, votes proxies, and provides recordkeeping and reporting services on behalf of QS Investors' clients that have provided QS Investors with the authority to vote proxies. QS Investors has a fiduciary responsibility to vote proxies in its clients' best interests (i.e., generally speaking, to maximize shareholder value). Compliance is responsible for managing the relationship with ISS and for ensuring that the Firm is meeting its proxy voting obligations.

QS Investors incorporates ESG issues into proxy voting decisions and typically votes in accordance with the recommendations of ISS's Sustainability Policy, which promotes sustainable business practices advocating for stewardship of the environment, fair labor practices, non-discrimination, and the protection of human rights. QS Investors has adopted ISS's Sustainability Policy proxy voting guidelines as its own. When such recommendations are not made available to the Firm, QS Investors typically votes in accordance with ISS's standard proxy voting guidelines.

Clients can request that QS Investors vote in accordance with custom proxy voting guidelines, such as ISS's Taft-Hartley Advisory Services' guidelines. QS Investors manages assets for a wide variety of clients that may have divergent goals regarding the outcome of a shareholders' meeting. Due to differences in proxy voting guidelines, QS Investors may vote proxies for the same security differently for different clients.

Under extremely rare circumstances, QS Investors' investment personnel may believe that it will be in the best interests of clients to vote against ISS's vote recommendations or in contradiction with ISS's proxy voting guidelines. In these cases, if there is no material conflict of interest, QS Investors will override the vote recommendation from ISS or vote in contradiction with ISS's guidelines. Such votes require pre-approval by Compliance.

Unless the cost of voting would appear to outweigh the benefits, QS Investors generally casts votes for all shares for which the Firm has voting authority.

Due to restrictions on trading during the proxy solicitation period imposed by some non-U.S. issuers (known as "share blocking"), QS Investors typically does not vote shares of some issuers in some markets. During a share blocking period, a blocked security cannot be sold without a formal recall, which can take time and may not be successful. Share blocking periods can last one day to several weeks. If QS Investors is unable to sell a blocked security, this could result in substantial costs to clients. If QS Investors does not vote a proxy for a particular security, the Firm is not subject to these share blocking restrictions. QS Investors may decide in some instances to vote a proxy despite share blocking if the Firm believes that a certain proposal or series of proposals is likely to result in a substantial change to shareholder value and/or rights.

Some clients participate in client-directed security lending programs, which also require a recall of the loaned securities to properly assign voting rights to the lender. Because of these administrative considerations, QS

Investors often does not receive adequate notice of a proxy voting solicitation to arrange a recall of shares through the client's custodian or other intermediary in time to vote the proxies. Therefore, QS Investors generally does not vote proxies for securities on loan.

Proxies for the shares of certain ETFs held within client accounts may be voted in accordance with an "echo voting" procedure to the extent required by procedures QS Investors has adopted to comply with applicable legal and/or regulatory requirements. Please see "Fund-of-Funds" below for further information concerning echo voting.

Managed Account Programs

QS Investors will accept proxy voting responsibility for client accounts under Discretionary Model-Based Programs but not under Non-Discretionary Model-Based Programs.

Funds-of-Funds

For any Fund-of-Funds that is a U.S. registered investment company, QS Investors generally will vote the proxies for the shares of any Underlying Funds that are QS-Advised Funds or Affiliated Funds in accordance with an "echo voting" procedure. Under echo voting, proxies for shares of the Underlying Fund are voted in the same proportion as shares held by other shareholders of such Underlying Fund are voted. However, QS Investors may vote proxies for shares of QS-Advised Funds or Affiliated Funds in accordance with other approved procedures in order to comply with applicable legal and/or regulatory requirements. Proxies for shares of Non-Affiliated Funds held by a Fund-of-Funds will also be voted in accordance with an echo voting procedure to the extent required in order to comply with applicable legal and/or regulatory requirements.

Manager-of-Managers Arrangements

In the case of a Manager-of-Managers arrangement, each Underlying Manager typically exercises proxy voting authority over the securities in the Sleeve managed by such Underlying Manager. QS Investors will exercise proxy voting authority over the securities in a QS-Managed Sleeve.

Conflicts of Interest

QS Investors may have a potential conflict of interest when a company that is soliciting a proxy is one of the Firm's advisory clients or when QS Investors' employees have an interest in a proxy voting proposal that conflicts with the interests of the Firm's clients. QS Investors believes that it minimizes such potential conflicts of interest by following predetermined proxy voting guidelines and by voting in accordance with ISS's vote recommendations.

Class Action Lawsuits and Other Legal Proceedings

From time to time, securities or other investments held in clients' accounts may be the subject of legal proceedings, including but not limited to bankruptcies, class action lawsuits, and other shareholder litigation. Except as expressly agreed to in writing or as otherwise required under applicable law, QS Investors does not advise clients or take any action on their behalf with respect to any legal proceedings involving assets or securities held for or traded in client accounts.

How to Request a Copy of QS Investors' Proxy Voting Policy or ISS's Proxy Voting Policies and Guidelines or Proxy Voting Information

ISS maintains complete records of all votes cast on behalf of each of the Firm's client accounts and provides QS Investors with periodic, customized reports for each client account for which the Firm votes proxies.

A client may request: (1) a copy of QS Investors' Proxy Voting Policy; (2) a copy of ISS's proxy voting policies and guidelines; and/or (3) information concerning how QS Investors voted proxies with respect to securities held in the client's account by contacting their account representative at 212-886-9200. Information about ISS's proxy voting policies and guidelines is also available on their website: <http://www.issgovernance.com/policy>.

Item 18 – Financial Information

QS Investors is not aware of any events affecting its financial condition that would impair its ability to meet its contractual commitments to clients and has not been the subject of a bankruptcy petition at any time.

Privacy

Regulation S-P

As required by the U.S. Gramm-Leach Bliley Act of 1999, each of the federal financial regulators has adopted privacy rules governing the use of consumer personal information. The privacy notice requirements of Regulation S-P only apply to customers/consumers of a U.S. registered investment adviser that are natural persons. It does not apply to customers/consumers that are legal entities. Such requirements, therefore, do not apply to the clients of QS Investors, which are limited to institutional clients and do not include natural persons.

Nevertheless, QS Investors limits its use and disclosure of clients' non-public information, as described below.

General

QS Investors collects information about clients from forms, agreements and other written and verbal information they provide. In order to service client accounts and process transactions, QS Investors may provide client information (e.g., name, address, tax identification number) to firms that assist QS Investors in servicing the accounts, including third-party administrators, transfer agents, custodians, broker-dealers, the Firm's proxy voting agent and other service providers. QS Investors may also provide the client's name and address to one of its agents for the purpose of mailing account statements and other information about the Firm's products and services to the client. QS Investors requires these firms, organizations and individuals to protect the confidentiality of client non-public information and to use the information solely for the purpose for which it is intended.

QS Investors does not provide customer names, addresses or other information to outside firms, organizations or individuals except in furtherance of the client relationship, or as otherwise required or permitted by law. For example, QS Investors may be required or may provide information to government entities or regulatory bodies in response to requests for information or subpoenas, to private litigants in certain circumstances, to law enforcement authorities, or any time QS Investors believes is necessary to protect the Firm.

QS Investors will only share non-public information about clients with employees who will be working to provide QS Investors' products and services to the Firm's clients, which may include those of QS Investors' affiliates and parent company. QS Investors maintains physical, electronic and procedural safeguards that comply with federal and state standards to protect clients' non-public information.

QS Investors never sells customer lists or individual client information.

QS Investors considers privacy fundamental to its client relationships and adheres to policies and practices and maintains physical, electronic and procedural safeguards to protect both current and former clients' non-public information.

QS Investors, LLC

Form ADV Part 2B Brochure Supplement Multi-Asset Portfolio Management

June 30, 2021

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This Brochure Supplement provides information about Laura Green, Thomas Picciochi, and Lisa Wang that supplements the QS Investors, LLC Form ADV Part 2A Brochure (the "Brochure"). You should have received a copy of the Brochure. Please contact your account representative if you did not receive the Brochure or have any questions about this Brochure Supplement.

Form ADV Brochure Supplement for Laura Green, CFA¹

Portfolio Manager

QS Investors, LLC

Educational Background and Business Experience

Laura Green, CFA, born in 1985, holds a BA in Communications from the University of Pennsylvania. Laura is a Portfolio Manager for QS Investors, LLC ("QS Investors"). Prior to joining QS Investors in 2010, she held positions as a Portfolio Assistant and Portfolio Manager at Deutsche Asset Management (2007 – 2010). Laura has 13 years of investment industry experience.

Disciplinary Information

None.

Other Business Activities

None.

Additional Compensation

None.

Supervision

Laura reports to Lisa Wang, Portfolio Manager and Head of Multi-Asset Portfolio Management, who can be reached at 212.886.9200. In addition to peer and committee review, oversight of Laura's activities may include, but is not limited to: (i) periodic meetings to review QS Investors' overall business and the management and performance of client accounts as well as less formal reviews as needed; (ii) portfolio guidelines compliance monitoring performed by compliance professionals; and (iii) reliance on a comprehensive internal compliance program.

¹ Qualification as a Chartered Financial Analyst ("CFA") charterholder requires: (i) A bachelor's degree from an accredited institution or equivalent education or work experience; (ii) Successful completion of all three exam levels of the CFA program; (iii) 48 months of acceptable professional work experience in the investment decision-making process; (iv) Fulfillment of local society requirements, which vary by society; and (v) Entry into a Member's Agreement, a Professional Conduct Statement and any additional documentation requested by the CFA Institute. CFA and Chartered Financial Analyst are registered trademarks owned by the CFA Institute.

Form ADV Brochure Supplement for Thomas A. Picciochi, CAIA² Portfolio Manager and Head of Portfolio Management QS Investors, LLC

Educational Background and Business Experience

Thomas A. Picciochi, CAIA, born in 1962, holds a BA and an MBA in Finance from the University of Miami (Florida). Thomas is a Portfolio Manager and became the Head of Portfolio Management for QS Investors, LLC (“QS Investors”) in 2020, having most recently served as the Head of Multi-Asset Portfolio Management. Prior to joining QS Investors in 2010, he served as Senior Portfolio Manager at Deutsche Asset Management (1999 – 2010). Thomas has 34 years of industry experience.

Disciplinary Information

None.

Other Business Activities

None.

Additional Compensation

None.

Supervision

Thomas reports to Adam Petryk, President and Chief Executive Officer, who can be reached at 212.886.9200. In addition to peer and committee review, oversight of Thomas’s activities may include, but is not limited to: (i) periodic meetings to review QS Investors’ overall business and the management and performance of client accounts as well as less formal reviews as needed; (ii) portfolio guidelines compliance monitoring performed by compliance professionals; and (iii) reliance on a comprehensive internal compliance program.

² The Chartered Alternative Investment Analyst (“CAIA”) designation is a globally recognized credential which evidences completion of the CAIA program. The program is comprised of a two-tier exam process with a focus on alternative asset classes, asset allocation, trading strategies, and risk management.

Form ADV Brochure Supplement for Lisa Wang, CFA³ Portfolio Manager and Head of Multi-Asset Portfolio Management QS Investors, LLC

Educational Background and Business Experience

Lisa Wang, CFA, born in 1982, holds a BA in Music and a BS in Accounting from SUNY Binghamton and an MBA in Finance from the University of Chicago, Booth School of Business. Lisa is a Portfolio Manager and became the Head of Multi-Asset Portfolio Management for QS Investors, LLC (“QS Investors”) in 2020. Prior to joining QS Investors in 2014, she was an ETF Market Maker and Portfolio Trader at Deutsche Bank (2011 – 2014). Lisa has 12 years of industry experience.

Disciplinary Information

None.

Other Business Activities

None.

Additional Compensation

None.

Supervision

Lisa reports to Thomas A. Picciochi, Portfolio Manager and Head of Portfolio Management, who can be reached at 212.886.9200. In addition to peer and committee review, oversight of Lisa’s activities may include, but is not limited to: (i) periodic meetings to review QS Investors’ overall business and the management and performance of client accounts as well as less formal reviews as needed; (ii) portfolio guidelines compliance monitoring performed by compliance professionals; and (iii) reliance on a comprehensive internal compliance program.

³ Qualification as a Chartered Financial Analyst (“CFA”) charterholder requires: (i) A bachelor’s degree from an accredited institution or equivalent education or work experience; (ii) Successful completion of all three exam levels of the CFA program; (iii) 48 months of acceptable professional work experience in the investment decision-making process; (iv) Fulfillment of local society requirements, which vary by society; and (v) Entry into a Member’s Agreement, a Professional Conduct Statement and any additional documentation requested by the CFA Institute. CFA and Chartered Financial Analyst are registered trademarks owned by the CFA Institute.

QS Investors, LLC

Form ADV Part 2B Brochure Supplement Low Volatility High Dividend Equity Portfolio Management

June 30, 2021

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This Brochure Supplement provides information about Michael LaBella, Michael Ripper, and Russell Shtern that supplements the QS Investors, LLC Form ADV Part 2A Brochure (the "Brochure"). You should have received a copy of the Brochure. Please contact your account representative if you did not receive the Brochure or have any questions about this Brochure Supplement.

Form ADV Brochure Supplement for Michael LaBella, CFA¹

Head of Investment Strategy

QS Investors, LLC

Educational Background and Business Experience

Michael LaBella, CFA, born in 1983, holds a BS in Financial Economics from Binghamton University. Michael became Head of Investment Strategy for QS Investors, LLC ("QS Investors") in 2020, having previously served as Portfolio Manager and Head of Global Equity Strategy. Prior to joining QS Investors in 2010, he was Portfolio Manager (2005 – 2010) at Deutsche Asset Management. Michael has 16 years of industry experience.

Disciplinary Information

None.

Other Business Activities

None.

Additional Compensation

None.

Supervision

Michael reports to Adam Petryk, President and Chief Executive Officer, who can be reached at 212.886.9200. In addition to peer and committee review, oversight of Michael's activities may include, but is not limited to: (i) periodic meetings to review QS Investors' overall business and the management and performance of client accounts as well as less formal reviews as needed; (ii) portfolio guidelines compliance monitoring performed by compliance professionals; and (iii) reliance on a comprehensive internal compliance program.

¹ Qualification as a Chartered Financial Analyst ("CFA") charterholder requires: (i) A bachelor's degree from an accredited institution or equivalent education or work experience; (ii) Successful completion of all three exam levels of the CFA program; (iii) 48 months of acceptable professional work experience in the investment decision-making process; (iv) Fulfillment of local society requirements, which vary by society; and (v) Entry into a Member's Agreement, a Professional Conduct Statement and any additional documentation requested by the CFA Institute. CFA and Chartered Financial Analyst are registered trademarks owned by the CFA Institute.

Form ADV Brochure Supplement for Michael Ripper, CFA, UK²

Portfolio Manager

QS Investors, LLC

Educational Background and Business Experience

Michael Ripper, CFA, UK was born in 1968. Michael is a Portfolio Manager for QS Investors, LLC (“QS Investors”). Prior to joining QS Investors in 2010, he was Senior Performance Analyst (1999 – 2005) and Portfolio Manager (2006 – 2010) for Deutsche Asset Management. Michael has 33 years of industry experience.

Disciplinary Information

None.

Other Business Activities

None.

Additional Compensation

None.

Supervision

Michael reports to Russell Shtern, Portfolio Manager and Head of Equity Portfolio Management, who can be reached at 212.886.9200. In addition to peer and committee review, oversight of Michael’s activities may include, but is not limited to: (i) periodic meetings to review QS Investors’ overall business and the management and performance of client accounts as well as less formal reviews as needed; (ii) portfolio guidelines compliance monitoring performed by compliance professionals; and (iii) reliance on a comprehensive internal compliance program.

² Qualification as a Chartered Financial Analyst, UK (“CFA, UK”) charterholder member requires: (i) Successful completion of all three exam levels of the CFA program; (ii) 48 months of acceptable professional work experience; and (iii) Adherence to the Member’s Agreement and professional conduct statement. CFA and Chartered Financial Analyst are registered trademarks owned by the CFA Institute.

Form ADV Brochure Supplement for Russell Shtern, CFA³ Portfolio Manager and Head of Equity Portfolio Management QS Investors, LLC

Educational Background and Business Experience

Russell Shtern, CFA, born in 1977, holds a BBA in Finance from Pace University. Russell is a Portfolio Manager and Head of Equity Portfolio Management for QS Investors, LLC (“QS Investors”). Prior to joining QS Investors in 2010, he was Portfolio Manager (1999 – 2010) at Deutsche Asset Management. Russell has 23 years of industry experience.

Disciplinary Information

None.

Other Business Activities

None.

Additional Compensation

None.

Supervision

Russell reports to Thomas A. Picciochi, Portfolio Manager and Head of Portfolio Management, who can be reached at 212.886.9200. In addition to peer and committee review, oversight of Russell’s activities may include, but is not limited to: (i) periodic meetings to review QS Investors’ overall business and the management and performance of client accounts as well as less formal reviews as needed; (ii) portfolio guidelines compliance monitoring performed by compliance professionals; and (iii) reliance on a comprehensive internal compliance program.

³ Qualification as a Chartered Financial Analyst (“CFA”) charterholder requires: (i) A bachelor’s degree from an accredited institution or equivalent education or work experience; (ii) Successful completion of all three exam levels of the CFA program; (iii) 48 months of acceptable professional work experience in the investment decision-making process; (iv) Fulfillment of local society requirements, which vary by society; and (v) Entry into a Member’s Agreement, a Professional Conduct Statement and any additional documentation requested by the CFA Institute. CFA and Chartered Financial Analyst are registered trademarks owned by the CFA Institute.