Citi Investment Management
Investment Management Account
Disclosure Statement
for clients of Citi Private Bank

This Disclosure Statement provides you with important information about your Citi Investment Management ("CIM") discretionary investment management account managed by Citibank, N.A. ("Citibank"). Citibank provides a variety of services designed to meet the investment advisory and related needs of individual and institutional clients. Through the investment advisory program described in this Disclosure Statement (the "Program"), Citibank offers clients the opportunity to invest in portfolios managed on a discretionary basis by CIM that follow a range of investment strategies.

Citibank is a national banking association supervised and examined by the Office of the Comptroller of the Currency ("OCC"), and is a wholly-owned subsidiary of Citigroup Inc. ("Citigroup"). Citibank provides advisory services as a fiduciary under Regulation 9. All references to "Citigroup" mean Citigroup and Citigroup's wholly-owned subsidiaries, including Citibank and Citigroup Global Markets Inc. ("CGMI"). Citi Private Bank ("CPB") is a business unit of Citigroup, which provides its clients access to a broad array of products and services available through bank and non-bank affiliates of Citigroup. CIM is a business which provides a variety of investment advisory services and programs offered through several Citigroup entities, including Citibank and CGMI, to clients of CPB and other business units.

References in this Disclosure Statement to "we," "us," "our" and "Citi" refer to Citibank, its affiliates and associated lines of business and/or their respective representatives, collectively or individually as the context requires, unless otherwise indicated.

Employee benefit plans subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), (such employee benefit plans, "ERISA plans") may receive this Disclosure Statement in addition to disclosures made pursuant to Section 408(b)(2) of ERISA and regulation thereunder. Nothing in this Disclosure Statement should be understood to supersede the Section 408(b)(2) disclosures, and ERISA plans should consult such disclosures.

In addition, this Disclosure Statement also addresses when Citi provides investment advice to your retirement account that is subject to Title I of ERISA or Section 4975 of the Code where Citi is a fiduciary within the meaning of Title I of ERISA and/or the Internal Revenue Code, as applicable, and where reliance on Prohibited Transaction Exemption ("PTE") 2020-02 is necessary to avoid the application of the prohibited transaction rules of Section 406(b) of ERISA and/or Section 4975(c)(1)(D),(E) or (F) of the Code ("Conflict of Interest Prohibited Transactions"). With respect to investment recommendations provided by Citi to retirement accounts subject to Title I of ERISA or Section 4975 of the Code that require reliance on PTE 2020-02 to avoid Conflict of Interest Prohibited Transactions, Citi must (i) meet a professional standard of care when making investment recommendations (give prudent advice); (ii) never put our financial interests ahead of yours when making recommendations (give loyal advice); (iii) avoid misleading statements about conflicts of interest, fees, and investments; (iv) follow policies and procedures designed to ensure that we give advice that is in your best interest; (v) charge no more than is reasonable for our services; and (vi) give you basic information about conflicts of interest. When Citi acts as a fiduciary to such accounts, other prohibited transaction exemptions may be utilized to avoid Conflict of Interest Prohibited Transactions (and other prohibited transactions), but whenever we act as a fiduciary to an account subject to Title I of ERISA, we are required under Federal law to act in accordance with a professional standard of care when making investment recommendations and adhere to other prescribed duties. We would generally have similar duties of care when we act as a fiduciary with respect to accounts, such as IRAs, that are subject to Section 4975 of the Code (but not subject to Title I of ERISA), as may be prescribed under applicable State or other law.

The information in this Disclosure Statement has not been approved or verified by the OCC or any other regulatory authority.

INVESTMENT PRODUCTS: NOT FDIC INSURED • NO BANK GUARANTEE • MAY LOSE VALUE

Clients should read and consider carefully the information contained in this Disclosure Statement and the other documents provided to clients. While Citibank believes that its professional investment advice can benefit many clients, there is no assurance that the objectives of any client in the Program described will be achieved.

If you have any questions about the contents of this Disclosure Statement, please contact us at (210) 677-3781 or (800) 870-1073 (toll free in the US).

I. Program Services

Through the Program, clients may invest in portfolios managed on a discretionary basis by CIM that follow a range of investment strategies. The strategies differ depending upon the services to be rendered and the objectives and guidelines of the client. The investment strategies will involve long-term and/or short-term purchases of securities and other financial instruments. A client selects one or more of the investment portfolios offered by CIM with the assistance of a CPB representative, and the client is responsible for the asset allocation decisions made in connection with the client's selection of any of the investment portfolios offered by CIM.

To subscribe for services offered through the Program, clients must enter into an investment advisory agreement with CIM (a "Program Agreement"). In the Program Agreement, the client appoints CIM to act as the client's investment adviser and agent and to provide the services related to the Program. The client also grants to CIM investment discretion and trading authority necessary to deliver the services provided through the Program. The minimum account size generally ranges from $1,000,000 to $10,000,000, depending on the strategy. Citibank will maintain custody of the assets held in an account but shall have the power and authority to appoint one or more subcustodians, including entities unaffiliated with Citigroup, to hold assets in an account. In limited circumstances, a third-party custodian will maintain custody of client assets.

In providing services through the Program, CIM investment professionals may utilize or recommend equity securities (including ETFs), warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities, and U.S. Government Securities. CIM investment professionals apply a valuation-driven approach to equity investing focusing on undervalued securities with the following characteristics: consistent levels of return on capital, opportunities for growth, strong differentiation of products or services, shareholder-oriented management, exceptional leadership, and ability to generate strong cash flow. For U.S. taxable portfolios, tax-efficiency is an additional consideration. CIM's proprietary optimization is overlaid on the portfolio to create a tailored portfolio that attempts to balance risk, return and taxes while simultaneously meeting the unique tax needs of each client. When investing in fixed income securities, investment selection and execution is driven by determinations of relative price value, strategic compatibility, and overall portfolio objectives.

CIM investment professionals may obtain information to assist their securities analysis from a variety of sources, including, financial newspapers and magazines, news and wire services, inspections of corporate activities, proprietary and non-proprietary research reports, corporate rating services, annual reports and other public filings, and company press releases.

CIM will monitor a client's account and make purchases and sales of securities for the account consistent with the portfolio investment objective and portfolio strategy selected by the client and any special guidelines, instructions or restrictions imposed by the client. From time to time, CIM will review and re-balance each account in accordance with the relevant strategy.

A client may request in writing that certain specified securities or certain categories of securities not be purchased for an account. It will, however, be in CIM's sole discretion to determine the reasonableness of the limitations and the specific securities that will be treated as falling within the restricted category.

Citigroup securities or obligations (other than investment funds advised by Citibank or another Citigroup affiliate) or other restrictions will not be directly held in an account. Citigroup securities or obligations could, however, be included in the investment funds advised by an unaffiliated investment manager purchased for an account.

Although some customization can be possible within an account, there can be a substantial degree of uniformity across client accounts as a result of the common investment objectives of clients participating in a particular portfolio strategy.

Investments made through the Program are inherently speculative and involve the risk of loss of capital. There is no guarantee that any investment will achieve its objectives or that losses will be avoided. The past performance of a strategy or an investment made is not indicative of future performance. Neither Citibank nor any of its affiliates makes any representations or warranties in this Disclosure Statement with respect to the present or future level of risk or volatility in any investment or any future performance.

Portfolios

The investment strategies of the portfolios available in the Program vary depending on asset type, asset allocation (e.g., fixed income, equity, balanced or customized), sector or geographical focus, and other factors. Depending on the investment portfolio strategy selected by the client, CIM will invest the client account in equity securities, mutual funds, ETFs, taxable or tax-exempt fixed income securities, and other financial instruments. Additionally, a client may select a portfolio that has been customized for the client. Where a client selects a custom portfolio strategy, CIM will assist the client in the review, evaluation and preparation of investment policies, objectives and guidelines as well as an asset allocation for the account.

Not all portfolios are available to all clients at all times. In particular, portfolios available to retirement investors will be limited from time to time. For additional information about portfolio availability and eligibility, clients should discuss with Citi Private Bank representatives.

Fees

Clients participating in a Program pay an asset-based fee (the "Fee"). The Fee for a portfolio will be described in the client's Program Agreement. Fees are payable monthly or quarterly in arrears. Because different fee rates apply to different portfolios, Citi's financial interest creates a conflict of interest when recommending portfolio(s) to clients in the Program.

The Fee includes investment management and custody by Citibank of each Account's assets subject to management but does not include commissions for Account transactions and other costs and charges described below. You will bear a proportionate share of the fees and expenses incurred by any mutual funds and ETFs in which you are invested. The prospectus of each of these funds describes these internal fees and expenses in detail. In addition, all expenses (including commissions) will be charged as incurred.

Other costs and charges include, but are not limited to, (i) embedded costs such as dealer mark-ups and mark-downs; (ii) auction fees; (iii) certain odd-lot differentials; (iv) stock exchange fees; (v) transfer taxes; (vi) electronic fund and wire transfer fees; (vii) custody fee for non-managed securities; (viii) charges of custodians other than Citibank for assets under management; (ix) fees in connection with custodial, trustee and other services rendered by a Citigroup affiliate, including fees or other charges associated with transferring assets into or out of your Account(s); (x) Security Exchange Commission fees on securities trades; and (xi) any other charges mandated by law. In addition, if Citigroup is a member of the underwriting syndicate from which a security is purchased for an Account, you acknowledge and agree that Citigroup may indirectly benefit from such purchase.

If you select one or more portfolio management strategies whose investment techniques include investments outside the United States, other costs and charges will include all custodial charges and other expenses charged by a subcustodian or correspondent affiliated with us to custody non-US investments in the country where the principal trading market for such investment is located and all fees and commissions in connection with any foreign exchange transactions effected through Citigroup.

Additional Information Regarding Fees

In addition to the asset-based fees payable under the Program, clients pay additional fees or charges for the establishment, administration or termination of retirement or profit sharing plans or trust accounts. Furthermore, additional fees are incurred when trading in foreign securities and ADRs.

To the extent that a client invests in a mutual fund or an ETF through the client's Program account, the client will pay a pro rata share of the fund's investment advisory fees and other expenses, such as distribution or servicing fees. These fees and expenses are payable to the fund's manager and other service providers (which service providers may be affiliated with Citibank). Citibank or its affiliates also provide other services to mutual funds or ETFs such as a trustee or custodian. Fees and expenses charged by mutual funds and ETFs are in addition to the asset-based fee charged in the Program. Furthermore, Citibank or its affiliates may effect transactions for certain of the mutual funds and ETFs in which clients invest, and compensation paid to Citibank or such affiliate in connection with such transactions will be in addition to asset-based Program fees. Clients may purchase shares of some of the mutual funds and ETFs used in the Program directly from the funds, their agents, or through Citibank without enrolling in the Program. Clients who invest in funds other than through the Program will not pay the asset-based Program fees in respect of such investments. However, clients who invest in mutual funds other than through the Program may not be eligible to purchase the same share classes that are made available through the Program, and the purchase of a different share class may be subject to higher sales charges and other expenses.

Certain investment managers manage separately managed accounts that invest in the same underlying investments in which one or more mutual fund or ETFs invest. Because the underlying expenses and fees of a separately managed account generally are lower and the performance of a separately managed account may be higher than the comparable mutual fund, it may be to the client's benefit to select the separately managed account as the investment product so long as the client meets the applicable investment minimum.

Fees or commissions may be negotiable based upon a number of factors, including, but not limited to, the type and size of the account, the historical and/or expected size or number of trades for the account, the number and range of supplemental advisory and client-related services to be provided to the account, and the type of client groups or organizations. Moreover, fee minimums and account minimums may vary as a result of the application of prior schedules depending upon the client account inception date. Minimum account sizes also may be waived under certain circumstances. CIM does not charge a performance-based fee in connection with the Program, but certain investment managers or investment funds in which a client invests may charge a performance fee in addition to management fees. From time to time, the fees for certain of the advisory services described herein are reduced for employees of Citibank or its affiliates. For more information regarding the above, contact your CPB representative.

No adjustments will be made to the fee for appreciation or depreciation in the market value of securities held in the account during any billing period for which such fee is charged. In the event the Program Agreement is terminated by either party prior to the end of a billing period, a pro-rata fee will be charged.

Certain securities, such as over-the-counter (including NASDAQ-traded) stocks and fixed income securities, are primarily traded in "dealer" markets. In such markets, securities are directly purchased from or sold to a financial institution acting as a dealer or "principal." If the financial institution is selling directly from their own inventory, trades are executed on a "net" basis, with the net price paid or received by the client reflecting any trading profit retained or loss incurred by the dealer executing the transaction as well as any mark-up or mark-down over or under the reported execution price.

Citibank (either directly or through its affiliates) will from time to time negotiate with clearing firms, investment managers, or other service providers to achieve cost savings or other improved terms for services covered by a client's asset-based fee or other fees and charges. Any cost savings or other advantages achieved may differ by product line or distribution channel, and Citibank or its affiliate sometimes will not pass along the savings or other benefits to clients. In such cases, only Citibank and/or one of its affiliates will benefit.

Account Information

Clients will receive account statements at least quarterly. Clients may elect to receive periodically a performance report. Clients may elect to waive the receipt of trade confirmations after the completion of each trade in favor a summary of such transactions in client account statements. Clients also receive fund prospectuses, where appropriate.

A client may request in writing that the investment portfolio(s) in which the client's account is invested be changed to another portfolio offered by CIM.

Reasonable Investment Restrictions

A client may request in writing that a particular security or category of securities not be purchased or sold for an account. If CIM determines that the client's requested restrictions are reasonable, CIM will use its best efforts to honor such restrictions. CIM will reject any restriction it believes cannot be effectively implemented or monitored. Clients should understand that restrictions may have an adverse effect on the account's investment performance, asset diversification, and the achievement of investment goals and objectives, compared with an account that is fully invested in the securities recommended for the account. In the event a category of securities is restricted, CIM will have sole discretion to determine the specific securities in the restricted category. In making this determination, CIM may rely on outside sources, such as standard industry codes and categories provided by independent service providers.

Compliance with any restrictions will be as of the date of recommendation of the restricted investment only, based on the characteristics of such investment on that date, as determined by the relevant party in its discretion. Restrictions will not be deemed to be violated due to changes in the characteristics of an investment following the purchase or recommendation of an investment. Restrictions imposed on the management of the account will not apply to or affect the internal management or underlying investments held by a mutual fund or ETF purchased for the account. Consequently, clients who participate in a portfolio that invests primarily in mutual funds and ETFs will have limited ability to impose restrictions on the management of their account. If an investment restriction is deemed reasonable, the party with responsibility for implementing investments for the account will allocate the assets that would have been invested in the security(ies) impacted by the investment restriction: (i) pro-rata across other investments recommended for the account; (ii) to one or more substitute securities, which might include ETFs; or (iii) to cash or cash equivalents.

Best Execution

CIM manages the investment portfolios offered in the Program and the client accounts participating in the Program. In connection with such management activities, CIM, in its sole discretion, will seek to obtain best execution when effecting transactions through or with broker-dealers. In the selection of brokers-dealers to effect transactions, CIM will consider a number of different factors, including, among other things, the value of research services provided by a broker-dealer, and/or a broker-dealer's execution capability, execution speed, execution efficiency, confidentiality, familiarity with potential purchasers or sellers, commission rates, financial responsibility, or responsiveness. CIM may select broker-dealers that provide CIM with research or other transaction-related services. To the extent permitted by applicable law, CIM may utilize such research and services for purposes of managing accounts in advisory programs other than the Program. In some cases, CIM will negotiate for discounted commission rates for its clients from broker-dealers; however, the possibility exists that lower commissions could be obtained from other broker-dealers.

Voting Client Securities

When investing in the Program, clients have the option to delegate all proxy voting authority to CIM, which may then further delegate such authority to Institutional Shareholder Services or another proxy voting service (the "Proxy Voting Service") satisfactory to CIM. If a client elects this option, CIM or its designee, as applicable, will vote proxies related to all securities held in the account in accordance with the Proxy Voting Service's recommendations. If the Proxy Voting Service does not generate a recommendation for a proxy vote, CIM or its designee will vote proxies in proportion to the votes of the other holders of the security for which the proxy vote is requested.

In providing the services, CIM or its designee, as applicable, will vote proxies in accordance with applicable fiduciary obligations as set forth in its proxy voting policies and procedures. These proxy voting policies and procedures (i) contain general guidelines that the party must follow to ensure that it votes proxies in a manner consistent with the best interests of clients and (ii) are designed to ensure that material conflicts of interest are avoided and/or resolved in a manner that is consistent with fiduciary obligations. A client may obtain copies of applicable proxy voting policies and procedures from its CPB representative. A client also can obtain information regarding how CIM or its designee, as applicable, voted a specific proxy on behalf of a client's account by submitting a written request to its CPB representative.

If a client no longer wishes to delegate proxy voting authority to CIM or its designee, the client can cancel the proxy waiver election by contacting the client's CPB representative, in which case, CIM or its designee, as applicable, will cease voting proxies for any securities in the client's account, including securities over which CIM or its designee has investment discretion, and all such proxies will be delivered directly to the client for consideration.

Trade Errors

CIM has adopted an error policy aimed at ensuring the prompt and proper detection, reporting and correction of errors involving the accounts of CIM clients. A trade error is deemed to have occurred when CIM has: (i) purchased or sold an incorrect financial instrument in a client account; (ii) purchased or sold an incorrect amount of a financial instrument in a client account; (iii) purchased or sold an unauthorized or client restricted security in a client account; (iv) not entered an order for a client account that should have been entered; (v) entered an order for a client account more than once when it should have been entered once (duplicate trade); (vi) misallocated a trade in one or multiple client accounts; or (vii) made an operational mistake that requires market action to correct. The requirements of the error policy apply to the extent that CIM and/or its affiliates has control of resolving errors for client accounts.

To correct a trading error, CIM generally effects a trade with a client using an error account to place the client in the position the client would have been in if the error had not occurred. CIM will receive no additional compensation and no other benefits from such trade. Gains from trading errors corrected after settlement date are not retained by CIM and are credited to the client's account at no expense to the client. Losses arising from pre- or post-settlement error corrections are closed out at no expense to the client. Losses arising from post-settlement error corrections in retirement accounts are credited to the client's account.

Research

We use CitiFocus as a primary method to evaluate mutual funds, and other types of products in the Program (collectively, "Program Investment Products"). In addition, we have established the Forum for Review and Approval of Managers ("FRAM") to select a subset of Program Investment Products. The manner in which CitiFocus and the FRAM-selected strategies are utilized is described below.

It is important to note that not all Program Investment Products available in the Program are evaluated under the CitiFocus standard. We may determine that a Program Investment Product no longer meets the CitiFocus standard, or will no longer be reviewed under the CitiFocus standard, and therefore will no longer be made available in the Programs in the future. Clients who participate in the Program will not be notified in advance of such changes. In the event a client determines to remain invested in a Program Investment Product that is no longer approved for the Program, we will (a) make no further representations concerning such Program Investment Product, (b) not assume any liability for any loss, claim, damage or expense attributable to client's determination, and (c) not continue to evaluate or make any representations regarding such Program Investment Product.

ETFs in the Program are evaluated in accordance with our due diligence procedures, which key evaluation criteria for ETFs include market value of the ETF, presence of leverage, the ETF sponsor's total assets under management, and the sponsor's length of experience in managing ETFs. Certain ETFs that do not meet these criteria may be approved subject to alternative procedures. In general, ETFs that either meet our due diligence criteria or that do not meet the criteria but have been individually approved according to the alternative procedures may be included in the Program.

CitiFocus

Under the CitiFocus standard, we evaluate various qualitative and quantitative factors for each Program Investment Product, including, without limitation, biographies of key investment personnel, the investment philosophy, investment process, past performance information and marketing literature. Citi personnel also may interview the investment manager and its key personnel and examine its operations. Program Investment Products are presented to our Traditional Investment Forum for approval, and Program Investment Products that are approved under the CitiFocus standard are then included on the "CitiFocus List".

We periodically review whether a Program Investment Product continues to meet the criteria for the CitiFocus standard. In conducting these reviews, CGMI considers a broad range of qualitative and quantitative factors including investment performance, staffing, operational issues and financial condition. Among other things, CGMI personnel interview each investment manager periodically to discuss these matters. CGMI tends to emphasize quantitative analysis with respect to Program Investment Products with which CGMI has previously conducted personal interviews.

Forum for Review and Approval of Managers

The FRAM selects a subset of investment managers and investment funds for the Program. Program Investment Products that are on the CitiFocus List are automatically approved by the FRAM for inclusion in its approved list for the Program. In addition, a Program Investment Product that meets the CitiFocus standard may be presented to the FRAM for its approval to be used in the Program even though the Program Investment Product is not on the CitiFocus List.

The FRAM has developed various criteria that are used to screen investment funds. These criteria are subject to change from time to time. The FRAM can select an investment fund for an asset class that invests in securities outside of such asset class so long as the FRAM determines that such manager's or fund's primary focus is on securities within such asset class.

On Watch Policy

Most of the covered Program Investment Products are subject to a review and an "on watch" policy. A Program Investment Product is designated with an "on watch" status when we identify specific areas of the investment manager's business that (a) merit further evaluation and (b) may, but are not certain to, result in the Program Investment Product being reclassified or terminated as an investment option in the Program. The duration of an on-watch status will vary according to the length of time necessary to conduct an evaluation and for the Program Investment Product's investment manager to address any areas of concern identified by us.

II. Conflicts of Interest

In the course of a relationship, a client's interests may conflict from time to time with our interests and/or the interests of your CPB representative. When presented with conflicts of interest, we and our CPB representatives are guided by our legal obligations, including any relevant contractual terms, and our good faith judgment as to a client's best interests in light of the surrounding circumstances. We have established a conflicts management framework that enables us to identify, manage, mitigate, monitor and escalate or report conflicts of interest. We manage conflicts through various policies, procedures and/or processes. Depending upon the conflict, management measures may include disclosing the conflict and facts related to the conflict and/or mitigating or eliminating the conflict. We mitigate or eliminate conflicts by establishing information barriers, changing compensation incentives, and/or restructuring transactions, products or processes. In addition, our governance committees oversee and review certain matters involving potential conflicts. If the conflict cannot be appropriately managed and/or mitigated, we may decline to engage in the activity giving rise to the potential conflict.

Citibank and CPB have arrangements that are material to their advisory business and/or their clients with related persons who are broker-dealers, investment companies, investment advisers and banking or thrift institutions. For example, Citibank serves as a qualified custodian in certain advisory programs where Citibank utilizes certain back office services of its affiliates. Citibank and its affiliates also act in a partnership capacity in a number of limited partnerships in which its clients may invest. Citibank and its affiliates provide a variety of services for clients, including issuers of securities that Citibank recommends for purchase or sale by clients. Citibank and its affiliates perform a wide range of investment banking and other services for various clients, and it is likely that Citibank client holdings will include the securities of issuers for whom investment banking and other services are performed. For example, client holdings can also include ETFs where Citibank or its affiliates provide services as trustees or custodians. Citibank client portfolios may include securities in which Citibank or its affiliates make a market or in which Citibank or its affiliates, including officers or employees, may have positions. Citibank and its affiliates receive compensation and fees in connection with the provision of the foregoing services. As part of an overall internal compliance program, Citibank has adopted policies and procedures imposing certain conditions and restrictions on transactions for Citibank's own account, the accounts of its employees or client accounts. Such policies and procedures are designed to prevent, among other things, any improper or abusive conduct when potential conflicts of interest exist for a client or client.

This section describes conflicts of interest concerning our business and the way we and our CPB representatives earn compensation. Not every conflict disclosed below will apply to each client. In some instances, we have described below the controls implemented to address a particular conflict. This section should be read in conjunction with our other client documents provided to you.

Advisory Versus Brokerage Services

Citi offers both brokerage and investment advisory accounts and services. Brokerage and investment advisory services are governed under different laws, are subject to different standards of care and are provided under separate contracts. Whether acting in a brokerage or investment advisory capacity, we must act in clients' best interests and observe high standards of commercial honor and just and equitable principles of trade, but clients should be informed of the differences between those types of services. In general, investment advisory services are provided on an ongoing basis and primarily involve providing investment advice or financial planning services designed to meet clients' comprehensive long-term financial goals. Brokerage services are primarily transactional and involve assisting clients with the purchase and sale of securities.

Compensation for brokerage accounts is transaction-based. Compensation for investment advisory accounts is fee-based. Because of those differences, it is difficult to compare in advance the compensation received for brokerage and investment advisory accounts, but we may receive more or less compensation depending on the account type you select. Moreover, particular types of brokerage or investment advisory accounts, such as retirement accounts, may result in greater compensation than others. We have a financial incentive to recommend accounts and services based on the amount of compensation we will receive. For example, a high level of trading activity could generate more compensation to your CPB representative in a brokerage account than in an investment advisory account. In the alternative, a long-term buy and hold strategy might generate more compensation for your CPB representative in a fee-based investment advisory account than in a brokerage account.

In addition to the different regulations that apply to brokerage and investment advisory accounts, a number of other factors should inform clients' decision about which account type is most appropriate for them. Those factors include the type and scope of available brokerage and investment advisory products and services, and their respective fees, costs and expenses.

Cost of Asset-Based Fee Program and Services Relative to Non-Asset-Based Fee Alternatives; Relative Costs of Asset-Based Fee Program Alternatives

Although the primary purpose of the Program is to provide clients with investment advice and guidance, the single asset-based fee that clients pay for the Program generally covers CIM's investment advisory services, along with custody services and certain other services described above. Services that are not covered by the single asset-based fee are described above.

Clients should understand that they may be able to obtain some of the services described in this Disclosure Statement from Citibank or CGMI without participating in a Program. In that case, a client's total cost may be lower or higher than the fees charged in connection with the Program. Clients also may be able to obtain the same or similar services or types of investments through other advisory programs or brokerage (including self-directed) platforms offered by CGMI and/or its affiliates. Such other investment advisory programs or brokerage (including self-directed) platforms may be offered at a lower or higher overall cost than the Program.

In addition, because the fees for the Program are negotiable, a client participating in the Program may pay higher or lower fees than a similarly situated client participating in the Program.

Compensation of CPB, CPB Representatives, and Citi Employees

CPB representatives, including the Bankers, Investment Counselors and Product Specialists who provide services in connection with clients' advisory account(s), receive a fixed base salary plus a discretionary annual bonus, which evaluates the employee's performance over the entire year. To determine the bonus, CPB has established a balanced assessment model that incorporates a qualitative assessment based on Citi's Leadership Standards, a quantitative assessment of each CPB representative's contributions, as well as an evaluation of responsible financial management. CPB representatives are subject to a scorecard, which equally weighs each adviser's qualitative performance with quantitative measurements, including financial performance. Financial performance assessment is focused primarily on revenue growth, new client acquisition, brokerage assets growth and investment advisory account (managed investments) assets under management growth.

While these financial performance measures are taken into account, CPB representatives do not receive any direct percentage of the brokerage or other revenue they generate. In addition, CPB representatives are not directly compensated for referring clients to Citibank's affiliates or other Citi lines of business to obtain other products or services (such as a mortgage or auto loan) and they do not participate in any sales contests for accounts, products or services. Other core factors on the scorecard include qualitative assessments of talent management, partnership, leadership, participation in corporate initiatives, and adherence to Citi's risk management and compliance requirements. CPB management measures overall performance against the CPB representative's goals and relative performance against peers in similar roles to determine final performance rating. The ultimate decision to grant the bonus, and the value and form it takes, are in the sole discretion of management, and depends on factors as Citi's overall performance, CPB's performance, the CPB representative's business or functional group's performance, as well as the individual's final performance rating.

The amount of the fees received by CPB, CPB representatives and employees of Citibank affiliates may be greater, depending upon (among other factors) (i) whether the client participates in an asset-based fee program instead of paying separately for investment advice, brokerage and other services, (ii) whether the client's portfolio is managed by an investment manager affiliated with CPB rather than an unaffiliated investment manager and/or (iii) the advisory program, investment managers, and the investment styles selected by the client. Furthermore, based, among other things, on the potential for an increase in the amount of assets under management of CPB and its affiliates, CPB will have an incentive to treat affiliated investment managers more favorably than unaffiliated investment managers, which may result in CPB recommending affiliated investment managers more frequently than unaffiliated investment managers. Because fees are negotiable, clients should understand that if they retained an affiliated manager to manage assets outside of a program, they could negotiate the affiliated manager's fees directly with the affiliated manager and possibly obtain services at a lower cost than retaining the affiliated manager through a program. In addition, clients should understand that the financial incentives that CPB has to recommend affiliated investment managers may be outweighed by cost savings from appointing unaffiliated investment managers.

Because of these factors, CPB, CPB representatives, CPB affiliates, and employees of CPB affiliates will have a financial incentive (i) to recommend one program (such as a program using an affiliated investment manager) over another program (such as a program using an unaffiliated or third-party investment manager); (ii) to recommend one unaffiliated investment manager whom CPB pays less over another unaffiliated investment manager whom CPB pays more; (iii) to recommend one investment strategy that charges a higher fee over another that charges less; (iv) to recommend an affiliated investment manager over an unaffiliated investment manager; and (v) in certain circumstances, to recommend an unaffiliated investment manager over an affiliated investment manager. CPB and affiliates address this conflict of interest by implementing the following measures: (a) disclosing it in this Disclosure Statement or the client agreements or both; (b) reviewing at account opening that a program is suitable for a client in light of the client's financial circumstances, investment objectives, and other factors; and (c) adopting procedures and training that address fiduciary duties of advisory personnel.

CPB earns fees or other income for services other than investment advisory services, including, among other things, permitting qualifying clients to take out loans that are secured by the assets in the client's account (for more information, see Lending Against Advisory Assets section below). CPB representatives may offer products and services other than investment advisory services. The amount of compensation they receive for advisory services may be more or less than compensation received for non-advisory services. This poses a potential conflict of interest to recommend products based on the compensation received.

CIM May Be Restricted in its Ability to Trade or Provide Certain Advice

To comply with applicable regulatory requirements, there are time periods during which CIM is not permitted to initiate or recommend certain types of transactions in the securities of issuers for which Citibank or an affiliate is performing investment banking services. In particular, when Citibank is engaged in an underwriting syndication or other distribution of corporate or municipal securities, CIM may be prohibited from purchasing or recommending the purchase of certain securities of an issuer for its clients.

From time to time, CIM may impose restrictions to address the potential for self-dealing by Citibank and affiliates and conflicts of interest that arise in connection with broker-dealer and investment banking businesses. Citibank has adopted various procedures to guard against insider trading that include an "Information Barrier" procedure, pursuant to which information known within one area (e.g., investment banking) may not be distributed to other areas (e.g., investment advisory), and use of a restricted list and various other monitoring lists. These investment banking or other activities will from time to time compel CIM to forgo trading in the securities of companies with which these relationships exist. This has the potential to adversely impact the investment performance of a client's account.

Citigroup securities or obligations (other than investment funds advised by CIM or another Citigroup affiliate) will not be directly held in an account and will be sold if the client transfers such securities or obligations into their account. Citigroup securities or obligations could, however, be included in the investment funds purchased for an account.

CIM is not obligated to effect any transaction for a client's account which it believes would be violative of any applicable state or federal law, rule or regulation, or of the rules or regulations of any regulatory or self-regulatory body, or any of their applicable policies or procedures.

CIM May Give Conflicting Advice or Trade Differently for Itself than on behalf of Client's Accounts; Advice or Action Taken May Differ Among Clients

CIM may recommend securities in which Citibank or an affiliate directly or indirectly has a financial interest; CIM may buy and sell securities that are recommended to clients for purchase and sale. Thus, a client may hold securities in which Citibank or an affiliate makes a market or in which Citibank or an affiliate, or officers or employees of Citibank or such affiliate also have investments. Moreover, Citibank and its affiliates may advise or take action for themselves differently than for CIM clients. In performing its duties to certain Program clients, CIM may also provide advice and take action that differs from advice given, or the timing and nature of action taken, for other clients' accounts. When CPB representatives purchase or sell certain securities for their own accounts on the same day that transactions in such securities are effected for client accounts, the price paid or realized by the CPB representatives generally may not be more advantageous than the price at which the client transactions are effected.

Mutual Fund Share Classes

Certain mutual funds offer only one class of shares, while other mutual funds offer multiple share classes that are available for investment based upon certain eligibility and/or purchase requirements. Mutual funds often permit the conversion of shares from one class to another, subject to certain conditions as determined by the applicable fund. If a client contributes or holds mutual fund shares that are deemed ineligible for the program in which the client participates, such shares will be converted, if feasible, into a class of shares of the same mutual fund that are deemed to be eligible, including Institutional ("I"), Financial Intermediary ("FI"), or advisory program share classes. Depending on the circumstances, a client could be subject to higher expenses overall once the shares convert to a share class that is deemed eligible. A client's mutual fund share class may not be converted if, for example, there is no equivalent share class eligible for the program or in other circumstances. Clients should discuss the impact of a conversion of mutual fund shares prior to contributing any mutual fund investments to a program account.

Upon termination of a client's Program Agreement or the transfer of mutual fund shares out of the account into a retail account, Citibank or its affiliate may convert any I shares, FI shares, advisory, and/or other shares of any mutual fund to the corresponding mutual fund's primary or non-advisory share classes. The primary and non-advisory share classes generally have higher operating expenses than the corresponding FI, I, and advisory share classes, which may negatively impact investment performance.

Acting as Adviser to Funds

Citibank or its affiliates can act as investment adviser to an open-end investment company comprising several mutual funds, and act as an administrator for a wide range of open-end and closed-end investment companies registered under the Investment Company Act of 1940, as amended. Citibank or its affiliates serve as a trustee or custodian to ETFs and mutual funds. Citibank and its affiliates also serve as investment advisers to a number of investment funds domiciled and sold outside the United States. In addition, Citibank affiliates act as investment adviser to unregistered investment funds (including hedge "fund of funds").

Personal Trading

Employees and certain other persons who perform services that support the investment advisory business of Citibank are bound by the Personal Trading and Investment Policy ("PTIP Policy"). The PTIP Policy governs the trading of employees who support the investment advisory business of Citibank and the family members' or related persons' accounts over which the employee has investment discretion. Certain employees and other persons within Citibank are considered covered persons under the PTIP Policy. The PTIP Policy governs the manner in which covered persons' trading account information is made available to the firm's compliance department and defines instances where pre-clearance or supervisory pre-approval may be appropriate. Covered persons are subject to a number of restrictions including: (1) prohibition on conduct of personal trades in securities for which they are in possession of material, non-public information; (2) prohibition on securities noted on the firm's restricted list; and (3) prohibition on trading in securities where new and material research has been published. Other restrictions exist with respect to "new issue"/public offerings and trading of Citigroup shares.

Covered persons are further prohibited from engaging in market timing strategies with respect to mutual fund transactions in covered accounts.

Certain supervisory staff are responsible for reviewing all personal trading activity of their covered employees for indications of improper trading activity and insider trading. When Citibank personnel purchase or sell certain securities for their own accounts on the same day that transactions in these securities are effected for client accounts, the price paid or realized by advisory personnel generally may not be more advantageous than the price at which the client transactions are effected. Managed accounts in which Citibank personnel have an interest may be aggregated with orders for other accounts so long as their accounts are treated in the same manner as other accounts.

The PTIP Policy is supplemented by other Citibank policies and procedures, including policies and procedures designed to protect the flow of material non-public information and the confidentiality of client information and those imposing personal trading and investment restrictions, maintenance of personal securities trading accounts at certain entities, and reporting of personal securities holdings and transactions. The purposes of the PTIP Policy and the related policies and procedures include minimizing potential conflicts of interests between employees and investment advisory clients and assuring compliance with applicable laws and regulations. Each person covered under the PTIP Policy receives a copy of the PTIP Policy upon being designated as a covered person and annually thereafter. They must sign an attestation that indicates that they have read and understand such PTIP Policy. In conjunction with this attestation, all covered persons are required to report any violation or potential violation of which they might become aware.

Compensation from Investment Managers

Citibank and its affiliates have trading, investment banking, prime brokerage, trustee, custody, and other business relationships with many investment managers, including certain of the investment managers that sponsor funds available in the Program. In some cases, Citibank or its affiliates has more than one business relationship with an investment manager. For example, outside the Program described in this Disclosure Statement, Citibank or its affiliates have revenue sharing and other financial arrangements with certain fund sponsors under which Citibank or its affiliates receive payments from fund sponsors for the opportunity to be the primary providers of funds offered on certain client-directed online trading platforms offered by Citibank or its affiliates. Those payments are separate from, and in addition to, any other compensation otherwise received from a fund or its affiliates participating in the Program. As a result of such additional arrangements, CIM has a financial incentive to treat such fund sponsors more favorably than fund sponsors who do not participate in such arrangements. In determining whether a fund is eligible for the Program, however, CIM does not consider the extent to which a fund sponsor participates in such online trading platforms. In addition, some CPB representatives may receive financial benefits from investment managers in the form of compensation for trade executions for the accounts of investment managers or their clients, or through their referrals of brokerage or investment advisory accounts to CPB representatives.

We receive marketing and training support payments, conference subsidies, and other types of financial and non-financial compensation and incentives from certain mutual fund companies, insurance and annuity companies and other investment product sponsors, distributors, investment advisers, broker-dealers and other vendors to support the sale of their products and services to our clients. These third parties may pay vendors directly for these services on our behalf. These payments sometimes include reimbursement for our participation in sales meetings, seminars and conferences held in the normal course of business. These payments may also include reimbursements for costs and expenses incurred by us in sponsoring conferences, meetings and similar activities. We receive these payments in connection with our overall relationship with the relevant third party, and the payments are not dependent on or related to the amount of assets invested in any individual account. The providers independently decide what they will spend on these types of activities and do not share this information with us, subject to regulatory guidelines and our policies. The amount of any expense reimbursement or payment to us is dependent on which activities we participate in or sponsor, the amount of that participation, prior sales and asset levels and other factors, and is determined by the provider.

We coordinate with certain product sponsors in developing marketing, training and educational plans and programs, and this coordination might be greater with some sponsors than others, depending on relative size, quality and breadth of product offerings, client interest and other relevant factors. Representatives of approved sponsors—whether sponsors remit these payments or not—are typically provided access to our branch offices and CPB representatives for educational, marketing and other promotional efforts subject to the discretion of our managers. Although all approved sponsors are provided with such access, some sponsors devote more staff or resources to these activities and therefore may have enhanced opportunities to promote their products to CPB representatives. These enhanced opportunities could, in turn, lead CPB representatives to focus on those products when recommending investments to clients over products from sponsors that do not commit similar resources to educational, marketing and other promotional efforts.

Various affiliates and affiliated business units of Citigroup receive compensation for providing administrative, custody, trustee, transfer agent, prime brokerage and back office services to investment managers, mutual funds, ETFs, and hedge funds. These investment managers include investment managers recommended through CIM's investment advisory programs.

CGMI and Citibank have entered into agreements under which CGMI shares revenue with Citibank for referring clients to CGMI, among other services. Under CGMI's agreements with Citibank, the revenue that CGMI shares with Citibank is based on the revenue that CGMI earns from providing products or services to referred clients. Citibank also compensates certain of its representatives based on business such representatives refer to CGMI. These arrangements present conflicts of interest insofar as Citibank and its representatives have a financial incentive to refer clients to CGMI.

Gifts, Gratuities and Nonmonetary Compensation

From time to time, certain third parties (such as investment product distributors and providers, mutual fund companies, investment advisers, insurance and annuity companies, broker-dealers, wholesalers, etc.) provide CPB representatives or Citibank or its affiliates with non-monetary gifts and gratuities, such as promotional items (e.g., coffee mugs, calendars or gift baskets), meals, invitations to events, and access to certain industry-related conferences or other events. Citibank has implemented policies and procedures intended to ensure that we avoid actual or perceived conflicts when giving or receiving gifts and entertainment from relevant parties by limiting the maximum value that any individual is permitted to receive in any calendar year. Gifts and entertainment must be appropriate, customary and reasonable and clearly not meant to influence Citibank business or serve as a "quid pro quo" for it to be accepted.

Compensation from Funds

Certain mutual funds available through the Program provide, and such mutual funds' affiliates provide, compensation to CPB or its affiliates in the form of 12b-1 or distribution fees, management fees, administrative fees, transfer agency fees, revenue sharing compensation, record keeping fees, shareholder servicing fees or any other fund related fees.

Except as described below regarding money market mutual funds, in the Program, CPB or its affiliates will not seek or retain any compensation from participating mutual funds and will credit the client's account in the amount of any such compensation as soon as possible after receipt by CPB or its affiliates. Any compensation credited to a client's account, including retirement accounts, will be treated as additional income and reported as such.

Where Citibank, as the custodian of a client's mutual fund investments held outside of an investment advisory program, receives shareholder service fees, recordkeeping services fees, sub-transfer agency or similar fees from participating mutual funds, Citibank will retain such fees.

Compensation and Benefits from Money Market Mutual Funds

At the end of each day, all cash held in a client account that has not been invested will be transferred to a money market mutual fund ("Sweep Fund") or other appropriate investment vehicle as the cash sweep selection for a client's account, which will be selected by CIM.

In non-retirement accounts, CPB or its affiliates can receive from Sweep Funds shareholder service fees at an annual rate of up to 0.25% of the amount of assets invested in each fund. In addition, CPB or its affiliates receive from such funds or their affiliates 12b-1 fees, as well as recordkeeping and sub-transfer agency fees (which include shareholder sub-accounting and networking fees) for recordkeeping and sub-transfer agency services provided to the funds or their service providers by CPB or its affiliates. These fees, along with other fund-level expenses (e.g., fund management fees), are separate from, and in addition to, the fees clients pay to CPB to participate in the Program. Furthermore, CPB or its affiliates can receive revenue sharing payments from such funds' sponsors. The amount of compensation payable by the funds and their affiliates changes from time to time.

An investment in a money market mutual fund is neither insured nor guaranteed by the Federal Deposit Insurance Corporation or any other government agency. A money market mutual fund seeks income by investing in short-term debt securities. Money market mutual funds may have a floating net asset value ("NAV") or may seek to maintain a constant NAV of $1 per share. For all money market mutual funds, including those that seek to maintain a constant

NAV of $1 per share, it is possible to lose money. Furthermore, certain money market mutual funds subject investors to restrictions on the ability to redeem an investment in times of market stress, by imposing liquidity fees and/or temporary bans on redemptions. If the liquidity fees or bans on redemptions are triggered, then clients could be prevented from withdrawing some or all of their cash for investment purposes or for other liquidity needs. In addition, if money market mutual funds are forced to cease operations and their holdings must be liquidated or distributed in kind to the fund's shareholders, then clients could be prevented or delayed from accessing their cash.

At times, investment managers or CIM will believe that it is in a client's interest to maintain assets in cash or cash equivalents (including money market mutual funds), particularly for defensive purposes in volatile markets. The compensation from mutual funds (and their affiliates) described above create a potential conflict of interest to the extent that the additional payments influence CPB to recommend or select investment managers or investment strategies that favor cash balances. Clients consent to this potential conflict of interest in their Program Agreements.

CPB representatives do not receive any of the compensation from money market mutual funds (and their affiliates) described above.

Ownership Interests in Trading Venues

In connection with the services provided to our clients, Citibank or an affiliate may execute trades through certain electronic communication networks, alternative trading systems and similar execution or trading venues in which an affiliated business has an ownership interest. Our affiliate receives compensation and economic benefits due to its ownership interest for trades executed through such a trading venue. The compensation received is based on a number of factors, such as the number of total trades executed through the trading venue and the profitability of the trading venue, and is not directly related to individual trades made on behalf of a client. In certain instances, we may receive a reduction in the cost of executing a trade through a trading venue or a rebate of the cost. While representatives do not receive additional compensation as a result of these ownership interests, we have an incentive to encourage the use of the trading venues in which we hold an interest.

Lending Relationship

Clients may, at their election, borrow funds from Citibank or its affiliates. This commercial lending relationship with a client may from time to time include but not be limited to, a loan, line of credit or borrowing in connection with off-exchange market (commonly referred to as over-the-counter or OTC) derivatives trading, via the execution of an ISDA Master Agreement and related Credit Support Annex or other security agreement. For the avoidance of doubt, to secure the repayment of the loan and payment of any such lending, including interest due on the lending, Citibank or its affiliates will treat assets in the client's account as collateral to support the loan (the "Lending Program"). Clients may use borrowed funds as they see fit, including to fund investments in their accounts. Clients are responsible to repay all funds they borrow from Citibank or its affiliates. If there is a debit in a client's account after a margin call or the sale of assets, the client is responsible to cover the shortfall. Citibank or its affiliates do not actively solicit clients to borrow using accounts as collateral.

- **Risks of Participating in the Lending Program and Conflicts of Interest.** Participation in the Lending Program carries significant risks and presents potential and actual conflicts of interest for CPB and Citibank. The decision to use leverage in a client account rests with the client and should be made only if the client understands the risks of margin borrowing, the impact of the use of borrowed funds on an account, and how the use of margin can affect the client's ability to achieve the client's investment objectives.
- **Borrowing to Invest Increases Risk of Loss.** Positive or negative performance of a leveraged account, net of interest charges and other account fees, will be enhanced by virtue of using borrowed money. Gains or losses in a leveraged account relative to the net value of the account will be greater than would be the case with an unleveraged account. As a result, borrowing money to invest creates a greater degree of risk of loss than investments in an unleveraged account.
- **Returns May Be Insufficient to Cover the Cost of Borrowing.** Participation in the Lending Program will result in losses to the client if the client invests the proceeds in the advisory account and the revenue or returns from the advisory account are not sufficient to cover the interest Citibank charges on the amount the client borrowed.

- **Suitable Investments for Borrowed Funds Generally May Be Riskier.** Citibank has an incentive to select investments to secure sufficient revenue or returns to cover interest payments on Citibank's loans. This incentive may cause Citibank to recommend investments for a leveraged account with a greater potential for higher returns, and a corresponding higher potential for volatility and risk of loss, than would be the case in an unleveraged account.
- **Performance Reports or Account Statements Will Not Show the Effect of Leverage.** Reports or account statements showing investment performance of any advisory account will not reflect the cost or effect of leverage on the performance of any investment funded with borrowed money from Citibank or from any third party. The use of leverage to conduct investment activity increases client's exposure to risk. Using leverage increases volatility and therefore small movements in notional value may materially impair the value of the investment. Further, the cost of leverage will reduce income and gains on investments funded with loan proceeds.
- **CPB and its Personnel Have a Financial Incentive to Recommend Participation in the Lending Program.** Participation in the Lending Program benefits CPB and/or its employees. Since Citibank receives advisory fees based on the level of assets in an account, Citibank receives higher fees from clients that increase the size of their account through participation in the Lending Program. Citibank also collects interest from clients who participate in the Lending Program. Since participation in the Lending Program will result in interest payments to an affiliate and/or increased advisory fees to Citibank, CPB and/or its employees have a financial incentive to recommend that advisory clients participate in the Lending Program and invest those borrowed amounts in the advisory account (thus incurring the risks described in this document).
- **CPB Will Put Citibank's Interest as a Creditor First.** As a client's investment adviser, Citibank is required to put a client's interests ahead of the interests of CPB and its employees. If a client participates in the Lending Program, however, Citibank will have a proprietary interest in the client's advisory account assets as a result of the pledging of the assets for the loan and interest due, and will be the client's creditor. Citibank will act in its best interests, which may be adverse to the client's interests.
- **Clients May Be Required to Deposit Additional Amounts in Client Accounts to Cover Losses.** If the assets in a client's advisory account lose value, the value of the collateral supporting the client's loan and interest payments also decreases. If this happens, Citibank will ask the client to meet collateral obligations (a "margin call"). To maintain adequate collateral, the client may need to deposit additional assets into the advisory account. If the client is unable or unwilling to deposit additional amounts, Citibank may sell or assign assets in the client's advisory account to repay the loan.
- **The Margin Call Process May Inflict Substantial Harm to the Client's Account.** During the margin call process, Citibank will act in its sole discretion to protect its interests and may act in a manner that is not in the client's best interests. Citibank may sell assets in the client's account without notifying the client, and the client's consent is not required for Citibank to sell assets. Citibank may decide, in its sole discretion, which assets to sell and the timing and venue of the sales. In these circumstances, securities often are sold into a market that is declining, so the prices obtained for the securities may be less than favorable and losses will be realized.
- **Citibank Will Not Act as Investment Adviser to the Client With Respect to the Liquidation of Securities Held in an Account to Meet a Margin Call.** As a result of margin sales, clients may be left with an account that has more concentrated positions, including in illiquid securities, than would be the case if Citibank were managing the sales of securities to protect the interests of the client rather than Citibank's interests as lender. The resulting account investments may not be suitable for the client or otherwise meet the requirements for participation in the advisory program, and the account may be terminated from the advisory program as a result. Citibank may, at any time and without notice, increase margin requirements for the Lending Program or change terms of the Lending Program.

Clients will receive a separate margin disclosure document, which they should read carefully and retain for future reference.

III. Risks Related to the Program and Investments

Set forth below is a summary description of risks related to the Program and certain investment products in which clients invest. The risks and investment products discussed below are not comprehensive, and clients should review all investment materials available from their CPB representative about their investments, including prospectuses and other offering materials produced by issuers and sponsors of investment products.

Investments made through the Program are inherently speculative and involve the risk of loss of capital. There is no guarantee that the Program or any investment will achieve its objectives or that losses will be avoided. The past performance of the Program or an investment made through the Program is not indicative of future performance. Neither Citibank nor any of its affiliates makes any representations or warranties in this Disclosure Statement with respect to the present or future level of risk or volatility in the Program or any investment, or the Program's or any investment's future performance or activities.

General Risks Associated with Investments

Investing in securities and other financial instruments involves risk of loss that clients should be prepared to bear, including potential loss of the entire investment, including the principal. The investment performance and success of any particular investment cannot be predicted or guaranteed. Potential risks that affect the value of client accounts include, among others, losses caused by adverse market conditions, market volatility, limited liquidity, currency fluctuations, political risks, and other market action. Past performance of investments is not indicative of future performance. Investment advisory services are not insured by any agency.

Clients should be aware that neither Citibank nor any of its affiliates will be responsible for losses in value in client accounts, or for acting or failing to act with respect to client accounts, so long as Citibank acts in good faith or as provided in client agreements.

Risks Related to Investments in Different Classes of Securities

Clients with different investment objectives may, at one time, be invested in different parts of the capital structure of the same issuer. For instance, a client whose objective is income may be invested in a company's bonds while a client whose objective is capital appreciation may be invested in the same company's equity. Bondholders and shareholders represent two categories of a company's capital structure with potentially opposing interests. Shareholders with unlimited upside on their equity investment in a company may want the company to undertake higher risks that can potentially benefit the equity owners, while the bondholders who are creditors of the company may want the company to minimize risks enough to pay the debt owed to the bondholders. As creditors of the company, bondholders receive priority over shareholders concerning the company's assets in the event of a liquidation. Bondholders who hold debt securities may seek a liquidation of an issuer, while shareholders who hold equity securities may prefer a reorganization of the company.

At times, CIM will advise accounts that hold different parts of the capital structure of the same issuer. CIM's actions with respect to one advisory account holding one class of securities may differ from its actions with respect to another account holding a different class of securities. As a consequence, CIM's investment advice and investment decisions for one client may differ from or conflict with the interests of clients holding different classes of securities. Some advisory accounts may be negatively affected by these decisions while other advisory accounts may be positively affected. The negative effects may be more pronounced in connection with transactions in, or advisory accounts utilizing, small capitalization, emerging market, distressed or less liquid strategies.

CIM does not render legal advice to clients in connection with the bankruptcy or reorganization of an issuer.

Cybersecurity Risks

Citibank, its affiliates, service providers, and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. They rely on computer programs to evaluate certain securities and other investments, to monitor their portfolios, to trade, clear and settle securities transactions, and to generate asset, risk management and other reports that are utilized in the oversight of their activities, among other things. In addition, certain of their operations interface with or depend on systems operated by third parties and they will not always be in a position to verify the risks or reliability of such third-party systems. These systems are susceptible to operational, informational security, and related risks that could adversely affect Citibank and clients. Cyber incidents can result from deliberate or unintentional events and may arise from external or internal sources. Like other financial services firms, Citibank experiences malicious cyber activity directed at its computer systems, software, networks and its users on a daily basis. This malicious activity includes attempts at unauthorized access, implantation of computer viruses or malware, and denial-of-service attacks. Citibank also experiences large volumes of phishing and other forms of social engineering attempted for the purpose of perpetrating fraud against Citibank, its associates, or its clients. Attacks also may be carried out by causing denial-of-service attacks on websites (making network services unavailable to intended users). Cyber incidents could cause disruptions and affect business operations, potentially resulting in financial losses, the inability to transact business or trade, (including failure of trade settlements, inaccurate recording or processing of trades, inaccurate client records, inability to monitor investments and risks), destruction to equipment and systems, loss or theft of investor data, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation or liability costs, or additional compliance costs. Similar adverse consequences could result from cyber incidents affecting the investments in which the Program invests, including those affecting other investment managers, issuers of securities and other interests, brokers, dealers, exchanges, and other financial institutions and market operators.

The increased use of mobile and cloud technologies, including as a result of the shift to work-from-home arrangements as a result of the COVID-19 pandemic has heightened these and other operational risks, and any failure by Citibank's mobile or cloud technology service providers to adequately safeguard the systems Citibank uses and prevent or quickly detect and remediate cyber attacks could disrupt Citibank's operations and result in misappropriation, corruption or loss of confidential or propriety information.

Global and Regional Events Risks

Global and regional events such as war, terrorist attacks, political unrest, climate change, natural disasters, public health crises, and pandemics cause the substantial losses by, among other things: causing disruptions in global economic conditions; decreasing investor confidence; disrupting financial markets and the ability to conduct business activities; causing loss or displacement of employees; triggering large-scale technology failures or delays; and requiring substantial capital expenditures and operating expenses to remediate damage and restore operations. The ongoing pandemic caused by the novel coronavirus (COVID-19) is currently having materially adverse effects on financial markets and the global economy. The pandemic presents material uncertainty as to the investment performance of client accounts. Risks associated with COVID-19 are discussed in further detail below.

Public health crises, pandemics and epidemics, such as those caused by new strains of viruses including, most recently, COVID-19, are expected to increase as international travel continues to rise. COVID-19 is expected to directly and indirectly adversely affect a wide variety of clients' investments, in material respects, by creating significant volatility in financial markets, interrupting business activities, supply chains and transactional activities, disrupting travel and negatively impacting the economies of affected countries, which include both developed and developing nations throughout the world. COVID-19 is also expected to result in particularly devastating consequences for certain industries, such as transportation, hospitality and entertainment. Defaults under financing agreements and breaches of commercial agreements between issuers and their counterparties are expected to occur as the pandemic develops. COVID-19 thus presents material uncertainty as to an issuer's ability to raise and deploy capital and presents material uncertainty as to the investment performance.

Equity Security Risks

An investment in equity securities generally refers to the buying of shares of stock in a corporation or other legal entity. Typically, clients who purchase equity securities seek capital appreciation, which occurs when the shares rise in value. Clients may have a secondary goal of income from a distribution of some of the company's earnings to shareholders, called dividends. In addition, equity holders may, depending on the type of shares they own, receive voting rights with respect to the company's initiatives put up for a shareholder vote, and may recover some of the company's assets in the event the company is dissolved. However, equity shareholders generally have the lowest priority in recovering their investment during the dissolution process. The returns on equity securities are not guaranteed, price may be volatile, and a client could lose the entire amount of his or her investment. There may be additional risks associated with international investing, including economic, political, monetary and/or legal factors, changing currency exchange rates, foreign taxes, and differences in financial and accounting standards. These risks often are magnified in emerging markets.

Fixed Income Securities Risks

Fixed income securities are debt obligations issued by a company, government, municipality, agency or other entity. A client who purchases a fixed income security lends money to the issuer of the security. In return, the issuer makes a legal commitment to pay the client interest on the principal (at a fixed or floating rate) and, in most cases, to return the principal when the security comes due, or matures, at a certain date. Fixed income securities can provide a regular income stream from the interest paid prior to maturity but are also subject to certain unique risks, some of which are described below. Clients commonly use fixed income securities to diversify their portfolios and balance their exposure to other types of investments, including equities. Fixed income securities are subject to the following risks:

Default: The issuer of a fixed income security may default on its repayment obligations by not making interest or principal payments. Issuers have varying degrees of credit risk that depend on factors related to the issuer specifically, such as its existing debt obligations, and factors related to external circumstances, such as events that affect a particular industry or the political, social, economic and environmental circumstances where the issuer is located or does business.

Interest Rates: Fixed income securities also are subject to changes in value resulting from fluctuations in market interest rates if sold prior to maturity. Typically, a fixed income security's price declines when interest rates rise and rises when interest rates fall. Therefore, a fixed income security's yield will rise as its price declines and vice-versa. Inflation may reduce the effective return of a fixed income security with a fixed interest rate.

Fixed Income Markets: Fixed income securities are commonly traded "over the counter" rather than on centralized exchanges, and pose a greater risk than common stocks that a client will not be able to purchase or sell a fixed income security at a desired time or price. The markets for certain fixed income securities can be thin, and reliable and current price quotations may not be available.

Call Features: "Callable" fixed income securities can be retired prior to their scheduled maturity date at the issuer's election. This may happen if interest rates fall and the issuer can issue new securities at a lower rate. If this occurs, the client holding the retired securities receives repayment of principal owed, but would no longer receive the interest rate payment and would have to seek other options if the client wishes to reinvest the proceeds.

High yield securities are considered speculative and, compared to investment grade securities, tend to have more volatile prices and are more susceptible to the following risks:

- Increased price sensitivity to changing interest rates and to adverse economic and business developments;
- Greater risk of loss due to default or declining credit quality;
- Greater likelihood that adverse economic or company specific events will make the issuer unable to make interest and/or principal payments; and

Negative market sentiment towards high yield securities in general may depress the price and liquidity of high yield securities. Fixed income securities that are rated below investment grade quality, as determined by internationally recognized credit rating organizations, such as Moody's and S&P, involve a high degree of risk and are considered speculative. The potential risk of non-payment or other default for instruments rated below investment grade is substantially greater than for instruments dated investment grade. Ratings are not recommendations to buy or sell securities nor do they guarantee an issuer's ability to repay its obligations. Furthermore, their accuracy is not guaranteed.

Mutual Funds Risks

A mutual fund is an investment company that allows investors to purchase an undivided interest in a portfolio of securities and other assets. A mutual fund's portfolio may consist of stocks, bonds, money market instruments, commodities, derivatives, and other financial assets to achieve the investment objectives stated in the mutual fund's prospectus. Mutual funds, like other investments, are subject to certain risks. Returns are not guaranteed, NAVs may be volatile and an investor in a mutual fund could lose the entire amount of his or her investment. Investing in mutual funds that invest in international, aggressive growth stocks, or less liquid securities may only be appropriate for clients whose investment profile allows them to assume the risks associated with those funds.

ETFs and Closed-End Funds Risks

An exchange-traded fund ("ETF") is an investment company that allows investors to purchase an individual, proportionate interest in a portfolio of stocks, bonds and/or other securities. ETFs are typically bought and sold by investors via trades on stock exchanges, although they can be purchased and redeemed directly from the ETF's sponsor in certain circumstances. ETFs, like other types of investment companies, are sold by prospectus. A closed-end fund ("CEF") is a type of investment company that has a fixed number of shares that are generally not redeemable from the fund. Unlike open-end investment companies (i.e., mutual funds), shares of a CEF can be purchased only as part of an initial public offering or purchased and sold through secondary market transactions. CEFs have managers who oversee each fund's portfolio and purchase and sell the fund's portfolio investments. ETFs and CEFs, like other investments, are subject to certain risks. Returns are not guaranteed, prices may be volatile and an investor in an ETF and CEF could lose the entire amount of his or her investment. Investing in ETFs and CEFs that invest in international, aggressive growth stocks, or less liquid securities may only be appropriate for clients whose investment profile allows them to assume the risks associated with those funds.

Environmental, Social and Governance ("ESG") Investing Risks

An ESG investment strategy is limited in the types and number of investment opportunities available and, as a result, an ESG investment strategy may underperform other investment strategies that do not have an ESG focus. An ESG investment strategy may invest in securities or industry sectors that underperform the market as a whole or underperform other funds screened for ESG standards. Frameworks for ESG investing vary among investment advisers and funds. Therefore, the companies selected by an index provider or investment adviser as demonstrating ESG characteristics may not be the same companies selected by other index providers or investment advisers that use similar ESG screens. Further, an index provider or investment adviser may select companies based on a particular ESG factor or factors rather than a holistic assessment of a company's ESG characteristics. In addition, companies selected by an index provider or investment adviser may not exhibit the ESG characteristics the index provider or investment adviser seeks to identify.