

ADV Form 371

**RiverSource Investments, LLC
ADV Part II, Privacy and
Proxy Policies**

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Investment Adviser Disclosure Document

RiverSource Investments, LLC

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This brochure provides clients with information about investment advisory services offered by us as of March 31, 2010, that should be considered before becoming our client. This information has not been approved or verified by any governmental authority. Delivery of this document satisfies our obligation to furnish a written disclosure statement containing at least the information required by Part II of Form ADV.

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RiverSource Investments, LLC

Investment Adviser Disclosure Document

This disclosure document describes investment advisory services offered by RiverSource Investments, LLC (“RiverSource Investments”), a wholly-owned subsidiary of Ameriprise Financial, Inc. (“Ameriprise Financial”). In this disclosure document, “we,” “our,” “us” and similar words mean RiverSource Investments.

We are providing this disclosure document to persons who receive or who may receive investment advisory services in order to ensure compliance with the Investment Advisers Act of 1940, as amended (the “Advisers Act”).

ADVISORY SERVICES

We offer professional investment management services on a discretionary or non-discretionary basis and related services including trading, cash management and reporting. In addition to traditional investment management services, the services we provide include asset-liability management, investment accounting, credit-analysis, and asset allocation services. Nearly all of the investment management services we provide are considered investment supervisory services, in that we typically provide continuous investment advice based on the stated investment objectives and policies of each client. In certain cases, we hire other SEC-registered investment advisers to provide discretionary investment management services to our advisory clients in a subadvised capacity. For example, we have an active subadvisory oversight program in place in connection with the management of certain Registered Funds. The subadvisers we hire may be affiliated or non-affiliated. Moreover, while we do not offer financial planning services, we do prepare a quarterly market outlook and provide other periodic market updates that are made available to our advisory affiliate providing financial planning services, Ameriprise Financial Services, Inc. (“Ameriprise Financial Services”). We also provide information that is used by this affiliate in developing certain asset allocation and financial planning tools. The investment management services we offer are provided to non-affiliated third-party clients and to our affiliates, including Ameriprise Financial and its subsidiaries.

The discretionary investment management services we offer are available directly to prospective advisory clients. Prospective clients or investors may also choose to obtain our services indirectly by purchasing a securities product that we advise or subadvise, such as a private fund (which, depending upon its strategy, may be referred to as a hedge fund), a collective fund or an open-end or closed-end investment company (e.g., a mutual fund), rather than establishing an investment advisory relationship with us. This is common in the case of retail investors, who typically access our services indirectly by investing in the mutual funds we manage. Our sales personnel who are also registered representatives of RiverSource Fund Distributors, Inc. (“RiverSource Fund Distributors”), one of our affiliated broker-dealers, may introduce prospective investment advisory clients to these other products and services. Where clients are eligible for multiple products or services, consideration should be given to whether similar or comparable services are available at a lower overall cost through a different product or service type. Investors may also wish to consider the different levels of liquidity and transparency to underlying holdings, as well as the different tax attributes, that may be associated with certain products and services. We believe our investment advisory fees, the fees associated with the securities products we manage, and the investment minimums applicable to these products and services are competitive within their respective peer groups. Clients should consider these product features and their own specific needs and circumstances in identifying the most suitable investment vehicle from the available alternatives. When we provide investment management services to pension, profit sharing and employee saving funds that are subject to Title I of the Employee Retirement Income Security Act (“ERISA”), we are serving as an investment management fiduciary only with respect to those assets we manage and not as an ERISA fiduciary with respect to other plan assets or the plan as a whole.

We are registered as an investment adviser with the U.S. Securities and Exchange Commission and as an international adviser with certain Canadian provinces. We may act as an investment adviser and may conduct marketing activity with respect to clients and prospective clients domiciled in other foreign jurisdictions without maintaining regulatory licenses or registrations in those jurisdictions. Clients and prospects in these jurisdictions should consider whether the regulatory framework of their own jurisdiction as it applies to them imposes restrictions on hiring an investment manager that does not hold local regulatory licenses or registrations. Clients and prospects should also consider whether the regulatory framework we are subject to provides sufficient protections given that we may not be subject to the regulatory framework they are familiar with in their own jurisdiction.

TYPES OF CLIENTS

We provide investment advisory services to the types of clients listed below.

- Pension, profit sharing, and employee savings funds;
- foundations and endowments;
- corporate clients, including tax-exempt and not-for-profit organizations;
- state, municipal or other governmental entities;
- high-net-worth individuals, including trusts and estates;
- open-end investment companies registered with the U.S. Securities and Exchange Commission (“mutual funds”) branded as “RiverSource,” “RiverSource Partners”, “Threadneedle,” and “Seligman” collectively the “Registered mutual funds”;
- closed-end investment companies registered with the U.S. Securities and Exchange Commission, the Registered closed-end funds, and together with the Registered mutual funds, the “Registered Funds” ;
- mutual funds that are used as funding vehicles by separate accounts for variable annuity contracts and/or variable life insurance policies issued by our insurance company affiliates and third party, unaffiliated insurance companies;
- collective funds maintained by our affiliate, Ameriprise Trust Company (“ATC”);
- various private, pooled investment vehicles (“private funds”) organized as limited partnerships, limited liability corporations, foreign (non-U.S.) entities or other legal form;
- corporate and other types of institutional clients seeking separately managed accounts that offer strategies similar to the private funds or collateralized loan obligations;
- sponsors of managed account programs (commonly referred to as wrap fee programs) and other investment advisers participating in such programs;
- various special purpose vehicle clients (“collateralized loan obligations” or “CLOs”) that issue securities collateralized by a pool of assets, including bank loans and high-yield bonds, to large institutional investors and/or high net worth individuals;
- Ameriprise Financial, its affiliates, including a face-amount certificate company, Ameriprise Certificate Company (“ACC”), Ameriprise Bank, FSB and Ameriprise Financial’s insurance company subsidiaries; and
- corporate and other types of institutional clients seeking asset-liability management services.

In marketing our services to prospective clients, we use various offering brands. RiverSource Institutional Advisors is held out as an operating division of RiverSource Investments when we market our asset management services to institutional clients. RiverSource Institutional Advisors maintains compliance with the CFA Institute’s Global Investment Performance Standards (GIPS®). In accordance with the GIPS® standards, all fee-paying discretionary accounts (as defined by GIPS®) within the RiverSource Institutional Advisors firm are included in one or more composites that consist of accounts with similar objectives, strategies and risk tolerances. The GIPS® standards also set forth methods of calculating and presenting investment manager performance in a fair and consistent manner.

We also market certain strategies and products under the Seligman brand, and from time to time we may hold out Seligman Investments as an offering brand of RiverSource Investments. In addition, from time to time we may hold out RiverSource Alternative Investments, RiverSource Insurance Assets and RiverSource Capital Management as operating divisions of RiverSource Investments when marketing CLO, asset-liability management services and managed account programs, respectively.

ADVISORY FEES

Our investment management fees are generally based on an annual percentage of the value or size of assets under management, as determined by us in good faith or by a client's custodian or other administrator. While we seek to reconcile valuations with client custodians and administrators, in situations where fees are calculated based on valuations established by these third parties, it is possible for fees to be higher or lower than the level we would have assessed had we been responsible for calculating the fees based on our internal valuations. Certain clients receiving investment accounting services may pay fees based on a calculation involving book values rather than market values. Policies relating to our fee practices, and representative fee schedules for each client type, are described below.

General Fee Policies

Our Ability to Negotiate Fees

We reserve the right to negotiate and charge different fees for different accounts. For example, we may offer discounted fee schedules to certain clients based on the totality of their (and/or their affiliates') relationship with us and/or our affiliates. Factors taken into consideration in making this determination may include the number of accounts managed, the nature of services rendered, and any special requirements of the account(s) managed. All of these factors, including the totality of our relationship with a client and/or its affiliate(s), may also be taken into consideration in determining whether a client is similarly situated to another client for most-favored-nation purposes. When deciding whether to negotiate a particular fee schedule, we may also consider our capacity to manage assets in a particular strategy. In addition, we may offer or make available to certain clients a specified asset level or capacity maximum that we will allow them to invest in a given strategy. The amount of capacity offered may impact fee negotiations. Our ability to negotiate fees may result in similarly situated clients paying more or less than clients receiving similar or comparable investment management services. When we establish new representative fee schedules for a given client type or strategy, we generally do not renegotiate fees with existing clients.

Performance Fees

Qualified clients may negotiate performance-based fees in compliance with Advisers Act requirements. For example, the asset-based fees paid by certain Registered Funds are subject to a possible adjustment under the terms of a performance incentive arrangement, which is computed by comparing the funds' performance against the performance of appropriate benchmark indexes. The performance on which performance-based compensation is calculated will typically include unrealized appreciation and depreciation of investments which may not ultimately be realized.

We believe that performance-based fee arrangements align our interests with the interests of our clients who are subject to those fees. We recognize the structure of these arrangements can create an incentive to favor these accounts in allocating investment opportunities or to make investments that are more speculative than would be the case in the absence of performance-based compensation. We have adopted policies and procedures that seek to mitigate certain conflicts presented by our performance-based fee arrangements. See, for example, the section titled "Trade Aggregation, Allocation and Partial Fills on a Trading Desk" for a discussion of these policies and procedures.

Billing Methodology

Under our standard investment advisory contract, fees are generally billed quarterly in arrears, though we may negotiate other billing terms at a client's request. The pooled vehicles we manage or separate accounts of wrap programs that we subadvise typically have different billing arrangements based on the methodology established by the product sponsor or administrator. We typically invoice clients, but in certain cases we may receive fees directly from client accounts pursuant to automatic deduction arrangements when authorized by the client. We only permit these arrangements in situations where we have a good faith belief that the custodian sends the client a statement, at least quarterly, identifying the amount of funds and securities in the account at the end of the period and setting forth all transactions in the account during that period.

Fee Policy for Discretionary Investments in Funds

In some cases, to achieve greater portfolio diversification and where authorized by the client, we may invest all or a portion of a client's assets in one or more funds managed by us or an affiliate, such as a RiverSource Fund. The management fees for the fund are described in the fund's prospectus. In these situations, our separate account advisory fee on assets invested in a fund generally will be offset by an amount equal to the aggregate fund management fee payable with respect to the assets. However, the amount of the offset may be less or non-existent in situations where we are providing asset allocation or fund selection services to a client account based on the client's guidelines. Additionally, in situations where we are serving in a subadvisory capacity, and we invest the subadvised assets in one or more funds, the amount we offset may be minimal or nonexistent where our fees are paid out of a management fee that is already subject to an offset or a maximum fee level.

In addition to the Registered Funds, client assets may be invested in other managed products such as exchange traded funds, REITs, business development companies and limited partnerships. Certain expenses such as management fees and custodian expenses are incurred by these investment vehicles and are thus indirectly borne by the client in addition to our separate account advisory fee.

Policies and Representative Fee Schedules for Institutional Clients

Fees are generally calculated and payable quarterly in arrears based on the quarter-end value of the assets under management. However, we may enter into customized billing arrangements with clients upon request. For example, we may receive fees based on average month-end market values. Additions or withdrawals made prior to a valuation date may or may not be factored in to the calculation of our fee, depending on the terms of a client's contract. Depending on the arrangement with each client, the value of assets under management which we use to calculate the fees payable may be determined by the custodian or by us in good faith. Given the potential for different parties to arrive at different valuations in good faith, the fee charged to a client may be higher or lower depending on which party's valuation is used to calculate the fee.

From time to time we may enter into fixed-fee arrangements with certain clients, such as a situation where we have decided to waive an account minimum. Under our standard investment advisory contract, either party may terminate the investment advisory contract upon 30 days' written notice to the other party. However, we may negotiate customized termination provisions with certain clients during the contracting process. Fees are pro-rated upon termination; however, performance fees, to the extent accrued but not yet paid, are not pro-rated or refunded. To the extent we receive any prepaid fees for a period following a client's termination date, the fees will be refunded to the client, although we may retain a portion of the prepaid fees that constitutes a reasonable administrative expense. Where fees are payable in arrears, they are not refundable.

Fees generally cover investment advice, account servicing, and access to personnel who are knowledgeable about the management of the account. Clients pay for all transaction costs such as commissions and other account and service charges, including fees for custody service (we do not act as custodian, although our affiliates may).

Separate Accounts

Representative fee schedules used as the starting point for fee negotiations for separate account strategies with institutional clients are provided below.

<i>RiverSource Core Fixed Income Aggregate</i>	0.35% - First \$25 Million 0.30% - Next \$25 Million 0.25% - Next \$50 Million Negotiable over \$100 Million
<i>RiverSource Core Plus Fixed Income Aggregate</i>	0.40% - First \$25 Million 0.30% - Next \$25 Million 0.25% - Next \$50 Million Negotiable over \$100 Million
<i>RiverSource Global Aggregate Fixed Income</i>	0.40% - First \$50 Million 0.30% - Next \$50 Million 0.25% - over \$100 Million
<i>RiverSource Global Government Fixed Income</i>	0.50% - First \$25 Million 0.40% - Next \$25 Million 0.30% - Next \$50 Million Negotiable over \$100 Million
<i>RiverSource Investment Grade Corporate Fixed Income</i>	0.35% - First \$25 Million 0.30% - Next \$25 Million 0.25% - Next \$50 Million Negotiable over \$100 Million
<i>RiverSource Bank Loan Strategy</i>	0.55% - First \$100 Million 0.525% - Next \$100 Million 0.50% - Thereafter
<i>RiverSource Institutional High Yield Fixed Income</i>	0.50% - First \$50 Million 0.40% - Next \$50 Million Negotiable Over \$100 Million
<i>RiverSource High Quality High Yield Fixed Income</i>	0.50% - First \$50 Million 0.40% - Next \$50 Million Negotiable over \$100 Million
<i>RiverSource Currency Alpha Absolute Return (USD)</i> <i>RiverSource Currency Alpha Plus Absolute Return (USD)</i>	0.35% + performance fee of 20% of excess over the benchmark of the Citigroup 3-Month T-Bill Index
<i>RiverSource Currency Alpha Absolute Return (EUR)</i> <i>RiverSource Currency Alpha Plus Absolute Return (EUR)</i>	0.35% + performance fee of 20% of excess over the benchmark of the 1-Month LIBOR (Euro)
<i>RiverSource Tax Exempt Fixed Income</i>	0.40% - First \$25 Million 0.30% - Next \$25 Million Negotiable over \$50 Million
<i>RiverSource Enhanced Cash</i>	0.175% - First \$100 Million Negotiable over \$100 Million
<i>RiverSource Global Inflation Protected Securities</i>	0.25% - First \$100 Million 0.20% - Thereafter
<i>RiverSource U.S. Inflation Protected Securities</i>	0.25% - First \$100 Million 0.20% - Thereafter
<i>RiverSource Emerging Markets Fixed Income</i>	0.50% - First \$50 Million 0.40% - Next \$50 Million Negotiable over \$100 Million
<i>RiverSource Small Company Growth</i>	0.90% - First \$25 Million 0.80% - Next \$25 Million 0.70% - Next \$50 Million Negotiable over \$100 Million

<i>RiverSource Mid-Cap Growth</i>	0.80% - First \$25 Million 0.70% - Next \$25 Million 0.65% - Next \$50 Million Negotiable over \$100 Million
<i>RiverSource Large-Cap Growth</i>	0.70% - First \$25 Million 0.60% - Next \$25 Million 0.50% - Next \$50 Million Negotiable over \$100 Million
<i>RiverSource Disciplined Growth</i>	0.70% - First \$25 Million 0.60% - Next \$25 Million 0.50% - Next \$50 Million Negotiable over \$100 Million
<i>RiverSource Disciplined Value</i>	0.65% - First \$25 Million 0.50% - Next \$25 Million 0.40% - Next \$50 Million Negotiable over \$100 Million
<i>RiverSource Disciplined International Equity</i>	0.75% - First \$25 Million 0.70% - Next \$25 Million 0.60% - Next \$50 Million Negotiable over \$100 Million
<i>RiverSource Opportunity Value</i>	0.65% - First \$25 Million 0.50% - Next \$25 Million 0.40% - Next \$50 Million Negotiable over \$100 Million
<i>RiverSource Value</i>	0.65% - First \$25 Million 0.50% - Next \$25 Million 0.40% - Next \$50 Million Negotiable over \$100 Million
<i>RiverSource Mid Cap Value</i>	0.80% - First \$25 Million 0.70% - Next \$25 Million 0.65% - Next \$50 Million Negotiable over \$100 Million
<i>RiverSource Dividend Opportunity</i>	0.65% - First \$25 Million 0.50% - Next \$25 Million 0.40% - Next \$50 Million Negotiable over \$100 Million
<i>RiverSource Contrarian 120/20</i>	Asset based + Performance based fee schedule: 0.50% - First \$25 Million + performance fee ¹ 0.40% - Next \$75 Million + performance fee ¹ 0.25% - Over \$100 Million + performance fee ¹ OR Asset based fee schedule: 0.80% - First \$25 Million 0.70% - Next \$25 Million 0.60% - Next \$50 Million Negotiable over \$100 Million
<i>RiverSource Real Estate</i>	0.75% - First \$25 Million 0.70% - Next \$25 Million 0.60% - Next \$50 Million Negotiable over \$100 Million
<i>RiverSource Global Technology</i>	0.80% - First \$25 Million 0.70% - Next \$25 Million 0.60% - Next \$50 Million Negotiable over \$100 Million

<i>RiverSource Growth</i>	0.70% - First \$25 Million 0.60% - Next \$25 Million 0.50% - Next \$50 Million Negotiable over \$100 Million
<i>Seligman Small-Cap Growth</i>	1.00% First \$25 Million 0.75% Next \$75 Million Negotiable over \$100 Million
<i>Seligman Small-MidCap Growth</i>	0.75% - First \$10 Million 0.60% - Next \$30 Million 0.50% - Next \$60 Million Negotiable over \$100 Million
<i>Seligman Mid-Cap Growth</i>	0.80% - First \$25 Million 0.70% - Next \$25 Million 0.65% - Next \$50 Million Negotiable over \$100 Million
<i>Seligman Large-Cap Growth</i>	0.70% First \$25 Million 0.60% Next \$25 Million 0.50% Next \$50 Million Negotiable over \$100 Million
<i>Seligman Small-Cap Value</i>	1.00% - First \$25 Million 0.75% - Next \$75 Million Negotiable over \$100 Million
<i>Seligman Large-Cap Value</i>	0.65% - First \$25Million 0.50% - Next \$25Million 0.40% - Next \$50Million Negotiable over \$100 Million
<i>Threadneedle Global Equity²</i>	0.65% - First \$100 Million 0.60% - Next \$100 Million 0.55% - Next \$200 Million Negotiable over \$400 Million
<i>Threadneedle Emerging Markets²</i>	1.00% - First \$25 Million 0.80% - Next \$25 Million 0.65% - Next \$50 Million Negotiable Over \$100 Million
<i>Threadneedle EAFE +Emerging Markets²</i>	1.00% - First \$25 Million 0.80% - Next \$25 Million 0.65% - Next \$50 Million Negotiable Over \$100 Million
<i>Threadneedle EAFE²</i>	0.80% - First \$25 Million 0.70% - Next \$25 Million 0.60% - Next \$50 Million 0.40% - Next \$50 Million Negotiable Over \$150 Million

¹ May include performance fee of up to 195 bps paid when performance exceeds the Russell 3000 benchmark by 800 bps.

² Strategy offered through an affiliate, Threadneedle International Limited.

Subadvised Mutual Funds and Other Investment Companies

We serve in a sub-advisory capacity for U.S. and other off shore registered investment companies that are advised by third parties. Fees for such services are negotiated with the client, and set forth in the fund's registration statement or other similar disclosure filing.

Mutual Funds

Mutual fund advisory fees are set forth in each fund's prospectus and statement of additional information. Fees for mutual funds and other investment companies are negotiated on a case-by-case basis when initially launched,

and they may be higher or lower than the representative fee schedules shown above. On an annual basis, we work with the Boards of Directors/Trustees of the Registered Funds (“Board”) to determine appropriate fee levels. For certain funds, the fee may be increased or decreased by a performance incentive adjustment, which is based on the fund’s performance relative to an appropriate benchmark index. Our investment advisory agreements with mutual funds must provide that they (1) may be terminated without penalty by either party on 60 days’ written notice, provided that termination by a mutual fund is approved either by its Board or by a vote of a majority of the outstanding security holders of the mutual fund, as defined in the Investment Company Act of 1940, as amended (“1940 Act”), and (2) terminate automatically in the event of an “assignment” as defined in the 1940 Act.

Collective Funds

We work with the Board of Directors of our affiliate, ATC, to establish investment management fee rates for the collective funds maintained by ATC. Factors taken into consideration in establishing these rates include our institutional fee schedules and fees paid by the Registered mutual funds, as well as minimum account sizes and asset levels. Where similar strategies are available, investment management fee rates paid by these collective funds at lower asset levels are typically lower than our published institutional fee schedules and the rates paid by the Registered mutual funds. At higher asset levels, the investment management fee rates paid by these collective funds may meet, exceed, or be lower than these other rates depending on the type of strategy and product.

Our affiliates who receive institutional investment management services from us may pay fees based on the allocated cost of providing the services. In addition, we may charge an hourly fee in connection with certain non-discretionary arrangements with institutional clients.

Private Funds

As investment manager to private, pooled investment vehicles, we are paid an investment management fee at an annual rate ranging from 0.45% - 2.0% of the value of the fund, typically payable on a monthly basis. In addition, depending on the fund, we may receive a performance-based fee of up to 20.0% of the net realized and unrealized appreciation based on a high water mark/hurdle rate or benchmark index performance and depending on the fund. Additional information regarding fees payable to us by private funds is described in the private placement memoranda for the funds. The private funds reserve the right to waive certain conditions and features of an investment in the fund. For example, the private funds have a policy to waive management fees and incentive fees for current employees of the investment manager and its affiliates and incentive fees for their immediate family members who may be qualified to invest in the private fund. In addition, we and a fund may separately negotiate “side letters” with certain investors without applying terms negotiated with such investors, including terms relating to fees, to all investors in the fund. Many existing investors in the private funds have negotiated such side letters. The terms and conditions of these side letters may include, for example, special rights to make future investments in the fund, other investment vehicles or managed accounts, as appropriate; special rights for a reduction of the fixed fee and/or the incentive fee; special redemption or transfer rights, relating to frequency, notice, a reduction or rebate in fees or redemption penalties to be paid by the shareholder, eligible transferees and/or other terms; rights to receive reports or notifications from the fund or us on a more frequent basis or that include information not provided to other shareholders (including, without limitation, more detailed information regarding portfolio positions); “most favored nation” rights which grant the shareholder the right to receive terms granted to other shareholders or our similarly situated clients; and such other rights as may be negotiated by the fund or us and such shareholders. Although we may provide substantial input, the modifications are solely at the discretion of the fund. To the extent we are a party, modifications are also subject to our discretion. Additionally, modifications may, among other things, be based on the size of the shareholder’s investment in the fund or affiliated investment entity, the reputation of the shareholder, an agreement by a shareholder to maintain such investment in the fund for a significant period of time, or other similar commitment by a shareholder.

Some of these preferential terms may also be offered by us to managed account clients pursuing strategies similar to the private funds. For example, in some cases, we may negotiate fees for separately managed accounts that offer strategies similar to private funds using the private fund’s published fee rate as the starting point for

negotiations. We would typically do this in situations where the separate account offers one or more customized features that would justify a different fee rate.

Managed Account Programs

Typically, the investment advisory services we provide in connection with wrap-fee programs are discretionary and are provided to clients in those programs, though we may also provide non-discretionary investment advisory services to the program sponsor and/or another investment manager who exercises investment discretion. The managed account programs we participate in may be sponsored by affiliated or non-affiliated entities and may involve strategies of other outside managers in addition to our own. In these arrangements, the managed account program sponsor typically has primary responsibility for client communications and service and we typically do not know the identity of the underlying clients.

We have arrangements with program sponsors to provide advisory services in connection with the wrap-fee programs sponsored by the firms noted below. This list is subject to change.

Ameriprise Financial Services, Inc.;

BMO Nesbitt Burns, Inc.;

Charles Schwab & Co, Inc.;

CIBC Wood Gundy;

Citigroup Global Markets, Inc. (through its Smith Barney Division);

Envestnet;

J.P. Morgan Securities, Inc.;

Merrill Lynch;

Morgan Stanley & Co., Incorporated;

National Bank Financial, Inc.;

Oppenheimer Asset Management Inc.;

Placemark Investments, Inc.;

Raymond James;

RBC Dain Rauscher;

Standard Chartered Bank;

UBS Financial Services;

Wachovia Securities, LLC;

Wachovia Bank National Association;

Wells Fargo Bank, NA; and

Wells Fargo Investments, LLC

Fees we receive from the program sponsor generally range from 0.30% - 0.70% of the assets in the program to which our services relate. The following investment strategies are available in one or more of the above listed programs: Seligman Large Cap Value; Seligman Small Cap Value; Seligman Small Cap Growth; Seligman Small-Mid Growth; RiverSource Large Cap Value; RiverSource U.S. Government; and Global Fixed Income. In addition, strategies available through Ameriprise Active Portfolios, a discretionary wrap program in which client assets are invested in mutual funds, include Active Accumulation and Active Income, each of which can be varied depending upon a client's risk tolerance and time horizon.

Additional information concerning the above-noted wrap-fee programs is available from the wrap-fee sponsors. The terms of the client's agreement, including the client's right to terminate our services, will vary from sponsor to sponsor. An updated list of wrap-fee programs in which we participate and the fee arrangement available through each program is available upon request by writing to us at the address set forth on the first page of this brochure or calling the phone number that appears on that page.

Typically, clients participating in managed account programs pay a single all-inclusive fee, generally known as a “wrap” fee or “bundled” fee. This fee is described in more detail in each program sponsor’s disclosure document. The bundled fee generally covers investment advisory, custodial, client servicing, accounting and certain execution services. Clients may incur additional fees or charges in connection with their accounts or certain securities transactions. These may include any other execution or service charges, dealer mark-ups and mark-downs, odd-lot differentials, exchange fees, transfer taxes, electronic fund transfer fees, trust custodial fees and any charges mandated by law. In these programs, to the extent we execute wrap client trades other than through the sponsor or other designated broker-dealers having arrangements with the sponsor, separate transaction charges may be paid by the client.

Client fees are payable to the managed account program sponsor, either in advance or arrears on a quarterly or monthly basis, and are typically based on an annual percentage of the value of assets in the account. A portion of the wrap fee paid by the client is then paid to us for the investment advisory services we provide to the client, although in situations where we are providing asset allocation services with respect to investments in underlying funds, we may or may not receive a portion of the wrap fee paid by the client. The portion of the fee allocated to us is based on the percentage fee rate that is typically described in a separate agreement between us and the program sponsor.

From time to time, we may also participate in, or administer, certain “unbundled” programs. In these situations, the client pays an asset-based fee either in advance or arrears to the managed account program sponsor or to us. This fee typically covers only investment advisory services and not custody and brokerage services (although some programs may cover custody or certain brokerage services with the fee). If the entire fee is paid to a third-party sponsor, the sponsor in turn pays us a portion of the fee (expressed either as a percentage of the sponsor’s fee or a percentage of the client assets under management). If the entire fee is paid to us, a portion of the fee may be allocated by us to another party, which may include an affiliate, depending on the nature of services included in the fee. The percentage of the fee that is retained by us will vary depending on the investment product, the nature of the services included in the fee, and whether there is a third-party sponsor involved.

In the case of unbundled programs, we typically execute transactions with broker-dealers selected by us or directed by the client. When the program fee does not include brokerage, the decision to use a broker other than the managed account program sponsor can be made without regard to any portion of the sponsor fee being paid in lieu of commissions, although other operational difficulties and expenses may make it difficult to trade with firms other than the sponsor.

We also participate in managed account programs commonly referred to as “unified managed account” programs in which we provide non-discretionary investment advice to the program sponsor and/or another investment adviser, commonly referred to as an “overlay manager,” who exercises discretion over client accounts in the program. In these programs, our non-discretionary advice is provided through periodically updated model portfolios given to the overlay manager and/or program sponsor who then exercises discretion in deciding whether and how to implement that advice in a client account that is made up of other model portfolios and/or securities products. In these arrangements, we do not have discretion to carry out the advice contained in the model portfolios. We also do not have an adviser-client relationship with clients participating in these unified managed account programs, nor do we have access to the identity of clients or the composition of a client’s account. We typically receive a lower fee from the managed account program sponsor in these arrangements than for other arrangements in which we do exercise investment discretion.

Managed account program clients should be aware that services similar or comparable to those provided to a program client may be available to the client at a lower aggregate cost elsewhere. While our compensation pursuant to a managed account program (either “bundled” or “unbundled”) may be lower than our representative institutional fee schedules, the overall cost of a managed account program arrangement may be higher than the client would otherwise experience by participating in another program or by paying our standard fees and

negotiating fees with a broker or dealer on a per transaction basis (either directly pursuant to a directed brokerage arrangement or through us where we are authorized to select a broker or dealer).

Agreements with managed account program sponsors typically can be terminated at the written request of either the client or the program sponsor upon 30 or 60 days' notice. To the extent we receive any prepaid fees for a period following a termination date, the fees will generally be refunded, although we may retain a portion of the prepaid fees that constitutes a reasonable administrative expense.

Policies and Representative Fee Schedules for Alternative Investment Clients

As the collateral manager to several special purpose vehicles (namely, CLOs) we receive a collateral management fee as set forth in the offering document for each vehicle which is generally assessed based on the size of the portfolio being managed and which may vary by vehicle. We may also receive a subordinated and/or deferred fee that is contingent upon the vehicle's performance. Fees are pro-rated upon termination; however, performance fees, to the extent accrued but not yet paid, are not pro-rated or refunded. Fee rates are typically negotiated on a case-by-case basis; however, depending on the vehicle, senior collateral management fees are typically paid at an annual rate that ranges currently between .10% - .20% of the aggregate principal amount of the collateral assets; subordinated fees at an annual rate that ranges currently between .25% - .55% of the aggregate principal amount of the collateral assets; and performance fees, generally payable based upon the achievement of specified internal rates of return, at an annual rate that is based upon either a percentage of the aggregate principal amount of the collateral assets or a percentage of the available excess residual cash flow. Other or alternative fees may apply as well, such as a fee that may be charged in connection with the structuring or warehousing of a new CLO.

Policies and Representative Fee Schedules for Asset-Liability Management Clients

Fees for asset-liability management services are negotiated on a case-by-case basis, but we will generally use our standard institutional fee schedules as a starting point. Ameriprise Financial and its affiliates receiving asset-liability management services may pay fees based on the allocated cost of providing the services. However, ACC, our affiliated face-amount certificate company that receives asset-liability management services, pays a monthly fee equal on an annual basis to a percentage of net invested assets of ACC based on the following schedule:

- 0.35% on the first \$250 million of ACC net invested assets (valued on a GAAP basis)
- 0.30% on the next \$250 million of ACC net invested assets (valued on a GAAP basis)
- 0.25% on the next \$500 million of ACC net invested assets (valued on a GAAP basis)
- 0.20% on the amount over \$1 billion of ACC net invested assets (valued on a GAAP basis)

Loans originated by banks or investment banks are excluded from the computation of ACC's net invested assets. ACC pays us a fee of 0.35% for managing and servicing these loans. Our investment advisory agreement with ACC includes the same type of termination provisions described above in the case of the mutual funds we manage. This is necessary because ACC is a registered investment company.

COMPENSATION ARRANGEMENTS

Certain employees of the Ameriprise Financial organization, including employees of ours, are paid bonuses, which may be based, in part, upon retaining and increasing assets under management. While activities that result in higher compensation may influence behavior, it is our policy to treat all clients fairly and equitably in accordance with our fiduciary duty.

Referral Arrangements/Sales Compensation

We have entered into and may enter into written solicitation agreements with non-affiliated third parties, provided, however, that all such solicitation agreements must be in writing. Pursuant to these arrangements, we

pay compensation for clients referred to us for separate account management. We structure these arrangements in accordance with the applicable requirements of the Advisers Act. These requirements impose an obligation on non-affiliated solicitors to provide a separate disclosure document to potential clients describing, among other things, the nature of the solicitation arrangement and the terms of our compensation arrangement with the solicitor. Client fees are not increased as a result of any referral fees. However, we may take input from solicitors during fee negotiations with clients in foreign jurisdictions regarding local market factors. The terms of our written solicitation agreements may obligate us to pay compensation until termination of the client relationship. From time to time we may also enter into written solicitation agreements with employees or independent contractors of our affiliate, Ameriprise Financial Services, which allows these individuals to refer potential investment advisory clients to us. We require solicitors to forward copies of any client correspondence that is sent to the solicitor but intended for us. We also require solicitors to communicate to us any written client complaint or material client issue that is received or identified by the solicitor. To the extent a solicitor fails to forward client correspondence, complaints or other issues to us, we may not be able to appropriately address them.

Unaffiliated third parties may also receive fees from us or from our affiliates in connection with the sale or servicing of securities products sponsored by us, including Registered Funds and private funds.

Our employees and representatives of our affiliates who refer investment advisory business to us may be compensated on the basis of a percentage of the management fees. Similar compensation is available to these employees when they are successful in selling securities products in their capacity as representatives of our affiliated broker-dealer. These securities products may include mutual funds and private funds managed by us or an affiliate, as well as collective funds subadvised by us. The compensation paid to our sales personnel (including compensation they receive in their capacity as representatives of our affiliated broker-dealer) is based on a percentage of investment management fees in accordance with a tiered schedule paid out over a period of up to two years (or, in the case of platform relationships, where mutual funds and collective funds are typically sold by our institutional sales staff, for the life of the relationship based on incremental revenues). These sales personnel are eligible to receive a higher percentage payout at higher levels of revenue generated for the firm. However, where employees of ours and our affiliates are selling Registered Funds and collective funds through our affiliated broker-dealer, compensation paid to these individuals on sales of these products may be higher or lower than the amount received on sales of separate accounts. This is a result of the fact that the amount of compensation received is a function of the applicable compensation schedule and, in the case of platform sales, the fact that compensation is paid out from a pool that carries a discretionary component that impacts the exact amount of compensation for each institutional sales person.

Client service personnel receive incentive compensation based on a percentage of management fees, a portion of which may be attributable to solicitation activities, which may continue throughout the life of the account. If a client service representative is involved in, or is responsible for the sale, they may also be eligible for sales compensation based on a percentage of incremental investment management fees collected in the first year following the sale.

Portfolio Manager Compensation

Portfolio manager compensation is typically comprised of a base salary, an annual cash bonus, a portion of which may be subject to a mandatory deferral program, and in some cases an equity incentive award in the form of stock options and/or restricted stock. Portfolio manager compensation may also include retention bonuses that require continued employment through a specified date. The annual cash bonus (and in certain cases the equity incentive award) is paid from a team bonus pool that is based on the performance of the accounts managed by the portfolio management team, which might include RiverSource Funds, third-party mutual funds, wrap accounts, institutional portfolios and private funds. Funding for the bonus pool varies by portfolio management team but in most cases is based on the level of assets under management (though not for the Fixed Income Team) and investment performance relative to a peer group or benchmark, which may be a different benchmark than the one used to measure performance (aggregate market competitive bonus targets are also taken into consideration in determining bonus pool funding for the Fixed Income Team). Exceptions to this general approach to bonus pool

funding are (i) the Seligman Technology Team, which receives bonus pool funding from management fees; (ii) the RiverSource Integrity Team and the Financial Spectrum Strategy Investment Team, which receive bonus pool funding based on the higher of a percentage of management fees or a market-based target determined by senior management and leveraged based on absolute performance; (iii) the Leveraged Debt Group, which receives bonus pool funding from management fees and profits; (iv) the Seligman Asset Allocation Investment Team, which receives bonus pool funding based on management's assessment of performance relative to individual and business unit goals and objectives (similar to the approach taken with other non-investment personnel); and (v) one Portfolio Manager whose compensation is based on management's assessment of individual goal performance and revenue related to management of one fund as well as other funds managed by the Contrarian Equity Team. In addition, where a team manages long/short portfolios (including private funds), the bonus pool is also funded by a percentage of any performance fees generated. Senior management of RiverSource Investments has the discretion to increase or decrease the size of the bonus pool and to determine the exact amount of each portfolio manager's bonus based on his/her performance as an employee, except in the case of the Seligman Technology Team and the portion of the Leveraged Debt Group's bonus pool related to institutional portfolios where agreements with members of those groups limit senior management discretion.

In addition, our portfolio managers are provided with a benefits package, including life insurance, health insurance, and participation in a company 401(k) plan, comparable to that received by our other employees. Certain investment personnel are also eligible to defer a portion of their compensation. An individual making this type of election can allocate the deferral to the returns associated with one or more products they manage or support or to certain other products managed by their investment team. Depending upon their job level, our portfolio managers may also be eligible for other benefits or perquisites that are available to all of our employees at the same job level.

Consultant Relationships

From time to time, we may pay a fee to a consultant for certain marketing support services, including newsletters or other reports on general industry developments, or for participation in a conference or educational seminar. Our clients or prospective clients, or their respective representatives (e.g., officials representing pension funds), may also be clients of these consultants and may choose to participate in these conferences or seminars. Any relationship between us and our clients will be separate and distinct from any relationship these clients might have with their consultants. While we may be introduced to clients pursuant to these arrangements, these arrangements are not subject to the disclosure and consent requirements associated with the type of cash solicitation arrangements described above.

We may from time to time provide financial support and guidance for research studies (including follow up publications and other communications) relating to the types of products we manage. Our role in supporting these studies and publications may not be disclosed to research participants at the time they are asked to participate in the studies.

Other

We receive fees from third-party sponsors of certain managed account or asset allocation programs for services rendered. To the extent that the program sponsor is not considered our client, we would technically be receiving cash from a non-client (the program sponsor) in connection with giving advice indirectly to managed account or asset allocation program clients.

Our equity investment teams rely on one or more designated traders to support the trading function associated with the accounts they manage. A portion of the bonus pool for our equity trading personnel is based on the performance of the investment management teams and accounts they support. Our trading procedures dealing with aggregation and allocation of orders are designed to address conflicts of interest this compensation system may present (e.g., a trader's incentive to favor an account a trader supports over an account a trader does not support in order to increase the bonus pool).

TYPES OF INVESTMENTS

Depending on the investment strategy selected by the client, we may invest client accounts in various types of assets (including but not limited to the following): equity securities, including exchange-listed, over-the-counter (“OTC”) and foreign issues; depositary or custodial receipts or shares evidencing ownership of an underlying, domestic or foreign security (e.g., American, European, or Global Depositary Receipts); U.S. and foreign debt securities, including corporate, municipal, government and government agency issues and variable and floating rate demand notes and similar securities; mortgage- and asset-backed securities and mortgage-backed dollar rolls; bank loans including leveraged loans and floating or variable rate senior loans; rights; warrants; commercial paper; certificates of deposit; convertible debt and equity securities; mutual fund shares, closed-end fund shares and other managed products such as exchange traded funds (“ETF”s), unit investment trusts, REITs, business development companies and limited partnerships; repurchase and reverse repurchase agreements; exchange-traded and OTC options, futures, forward foreign currency contracts, interest rate swaps, interest rate caps, total return swaps, cross currency swaps, credit default swaps, other derivative instruments and structured credit and equity products, including collateralized debt and collateralized loan obligations and instruments issued by certain trusts or special purpose entities such as pass-through certificates representing participations in instruments backed by the securities or other assets owned by these issuers; linked securities such as index-linked, credit-linked, equity-linked securities; guaranteed investment contracts; and foreign currencies, cash and cash equivalents. For some accounts, we may render investment advice on non-U.S. securities of the foregoing types.

Different investment types expose our clients to different types of risks, and some of these risks may be significant. For example, even with effective due diligence, monitoring and controls in place, investors in derivatives and structured investment products can face potentially significant unsecured exposure. These exposures can occur when disorderly market conditions create uncertainty regarding both collateral values and contractual exposures. There is also an interconnection between certain types of risks, and these interconnections can become magnified when multiple factors move against an investment at once, resulting in large and more problematic risk exposure than originally envisioned. We do our best to mitigate these risks, but certain developments are unforeseen and investors can lose money. For example, disorderly market conditions may make it difficult or impossible to sell investments at certain prices or at all.

We may also invest assets of clients that meet specific eligibility criteria in so called “Rule 144A securities.” These securities are not registered under the Securities Act of 1933 (the “1933 Act”), and may not be resold until registered under the 1933 Act or unless an exemption from the 1933 Act’s registration requirements, such as Rule 144A, is available and complied with for the re-sale transaction. Rule 144A securities may be less liquid than registered securities and may sell at a lower price than would be available if they were registered. In addition, it may be more difficult to value Rule 144A securities accurately and less information may be available about the issuers of Rule 144A securities.

Our employees who are also registered representatives of our affiliated broker-dealers, may recommend that certain qualified clients invest in securities products managed by us or an affiliate. These securities products include mutual funds, closed-end funds, private funds, and collective funds. We may exercise discretion to place client assets in these securities only in accordance with our contractual arrangements and applicable legal requirements. For example, we provide discretionary asset allocation services with respect to investments in mutual funds in connection with our role as investment manager to certain fund-of-fund products and managed account programs. In accordance with client guidelines, we may also offer advice or invest in partnerships that invest in various equity and fixed income securities and commodities, so-called “traditional private placements” and certain types of venture capital or real estate partnership investments.

When multiple client accounts hold different securities within the capital structure of a company that is involved in bankruptcy or other restructuring, the interests of those clients may conflict. When we have the opportunity to take part in negotiations or discussions regarding the bankruptcy or restructuring, we consider a wide range of

factors in deciding how or whether to participate including our fiduciary duty to treat each client account fairly and equitably, and there is usually not one factor that determines our position or course of action.

METHODS OF ANALYSIS

While individual portfolio managers may emphasize one method of security analysis over another, the primary methods of analysis we employ are fundamental analysis (*i.e.*, the analysis and interpretation of basic company and industry data) and quantitative analysis (*i.e.*, the analysis and interpretation of numerical, measurable characteristics). We also use other methods of analysis such as technical analysis (charting) and cyclical analysis.

The following chart shows the primary methods of analysis that are used for the standard investment strategies that we offer to our institutional clients:

<i>RiverSource Core Fixed Income Aggregate</i> <i>RiverSource Core Plus Fixed Income Aggregate</i>	<ul style="list-style-type: none"> • Quantitative and fundamental analysis used to formulate interest rate outlook and strategy • Quantitative and fundamental analysis used for sector allocation • Fundamental security analysis
<i>RiverSource Global Aggregate Fixed Income</i> <i>RiverSource Global Government Fixed Income</i>	<ul style="list-style-type: none"> • Quantitative and fundamental analysis used in country and currency allocation/selection • Quantitative and fundamental analysis used to formulate global interest rate outlook and strategy • Quantitative and fundamental analysis used for sector allocation • Fundamental security analysis
<i>RiverSource Investment Grade Corporate Fixed Income</i>	<ul style="list-style-type: none"> • Independent, proprietary, fundamental credit research drives the investment process • Quantitative analysis supplements traditional credit research • Active portfolio management to exploit inefficiencies and varying market conditions
<i>RiverSource Bank Loan Strategy</i>	<ul style="list-style-type: none"> • Bottom-up, in-house fundamental credit research guides credit selection • Fundamental industry analysis • Focus on downside risk management
<i>RiverSource Institutional High Yield Fixed Income</i>	<ul style="list-style-type: none"> • Fundamental analysis used to formulate market outlook and strategy • Top down tactical review guides industry weightings and quality positioning • Intensive, fundamental credit research guides credit selection
<i>RiverSource High Quality High Yield Fixed Income</i>	<ul style="list-style-type: none"> • Fundamental analysis used to formulate market outlook and strategy • Top down tactical review guides industry weightings and quality positioning • Intensive, fundamental credit research guides credit selection
<i>RiverSource Currency Alpha Absolute Return (EUR)</i> <i>RiverSource Currency Alpha Plus Absolute Return (EUR)</i> <i>RiverSource Currency Alpha Absolute Return (USD)</i> <i>RiverSource Currency Alpha Plus Absolute Return (USD)</i>	<ul style="list-style-type: none"> • Quantitative currency selection process • Systematic long-short currency trading strategy • Underlying bond securities selected using fundamental and quantitative analysis with goal of matching the return on cash
<i>RiverSource Tax Exempt Fixed Income</i>	<ul style="list-style-type: none"> • Quantitative and fundamental analysis used to

	<ul style="list-style-type: none"> formulate interest rate outlook and strategy Quantitative and fundamental analysis used for sector allocation Fundamental security analysis employed by dedicated municipal bond research team
<i>RiverSource Enhanced Cash</i>	<ul style="list-style-type: none"> Quantitative and fundamental analysis used to formulate interest rate outlook and strategy Quantitative and fundamental analysis used for sector allocation Fundamental security analysis employed by dedicated research team Manage maturity profile to meet portfolio liquidity needs
<i>RiverSource Global Inflation Protected Securities</i>	<ul style="list-style-type: none"> Quantitative and fundamental analysis used to formulate global interest rate outlook and strategy Quantitative and fundamental analysis used for sector allocation Fundamental security analysis
<i>RiverSource U.S. Inflation Protected Securities</i>	<ul style="list-style-type: none"> Quantitative and fundamental analysis used to formulate interest rate outlook and strategy Quantitative and fundamental analysis used for sector allocation Fundamental security analysis
<i>RiverSource Emerging Markets Fixed Income</i>	<ul style="list-style-type: none"> Top-down fundamental research based approach in analyzing both domestic and US Dollar emerging markets Fundamental research of economic fundamentals for both country and currency selection In depth research of emerging markets fiscal, monetary policy, debt level and current account balances
<i>RiverSource Small Company Growth</i>	<ul style="list-style-type: none"> Fundamental analysis Identification of growth themes Focus on individual company growth rates and revenue
<i>RiverSource Mid-Cap Growth</i> <i>RiverSource Large-Cap Growth</i>	<ul style="list-style-type: none"> Fundamental analysis Identification of growth themes Focus on individual company growth rates and market capitalization
<i>RiverSource Disciplined Growth</i> <i>RiverSource Disciplined Value</i>	<ul style="list-style-type: none"> Quantitative analysis of large cap stocks Individual security selection based on application of momentum, value and quality models
<i>RiverSource Disciplined International Equity</i>	<ul style="list-style-type: none"> Quantitative analysis of international stocks Individual security selection based on application of momentum, value and quality models
<i>RiverSource Opportunity Value</i> <i>RiverSource Value</i> <i>RiverSource Mid Cap Value</i> <i>RiverSource Dividend Opportunity</i>	<ul style="list-style-type: none"> Fundamental contrarian analysis-behavioral/sentiment insight Focus on valuation Identify industry and stock level chronic inefficiencies
<i>RiverSource Contrarian 120/20</i>	<ul style="list-style-type: none"> Fundamental contrarian analysis Focused long portfolio with short position hedging capability All capitalization domestic equity (Russell 3000 Benchmark) Identify industry and stock level chronic inefficiencies

<i>RiverSource Real Estate</i>	<ul style="list-style-type: none"> • Fundamental analysis focused on securities within the real estate sector • Qualitative assessment designed to support investment thesis for company and market • Identify industry and stock level chronic inefficiencies • Thorough analysis of financial structure and operating cash flows for companies
<i>RiverSource Global Technology</i>	<ul style="list-style-type: none"> • Fundamental analysis with independent research overlay • Focused on finding strong growth companies with reasonable valuations • Invests within the technology sector
<i>RiverSource Growth</i>	<ul style="list-style-type: none"> • Fundamental analysis • Focus on individual company growth rates and market capitalization
<i>Seligman Small-Cap Growth</i>	<ul style="list-style-type: none"> • Investment analysis stresses measures of growth, profitability, and valuation • Fundamental analysis is supplemented with extensive external research
<i>Seligman Small-MidCap Growth</i>	<ul style="list-style-type: none"> • Investment analysis stresses measures of growth, profitability, and valuation • Fundamental analysis is supplemented with extensive external research
<i>Seligman Mid-Cap Growth</i>	<ul style="list-style-type: none"> • Bottom-up analysis drives stock selection • Extensive quantitative and qualitative research • In-depth research of company fundamentals
<i>Seligman Large-Cap Growth</i>	<ul style="list-style-type: none"> • Bottom-up analysis drives stock selection • Extensive quantitative and qualitative research • In-depth research of company fundamentals
<i>Seligman Small-Cap Value</i>	<ul style="list-style-type: none"> • Bottom-up, fundamental investment process • Screens companies, focusing on financial analysis, management, valuation assessment
<i>Seligman Large-Cap Value</i>	<ul style="list-style-type: none"> • Bottom-up, fundamental investment process • Screens companies, focusing on financial analysis, management, valuation assessment
<i>Threadneedle Global Equity¹</i>	<ul style="list-style-type: none"> • Bottom up research focusing mainly on business fundamentals and valuation of individual securities • Macro-economic and thematic in-house research informs bottom-up decision making as well as broader portfolio positioning
<i>Threadneedle EAFE¹</i> <i>Threadneedle EAFE + Emerging Markets¹</i> <i>Threadneedle Emerging Markets¹</i>	<ul style="list-style-type: none"> • Fundamental analysis • Top-down country, currency, sector, and industry forecasts

¹ Strategy offered through an affiliate, Threadneedle International Limited.

The methods of analysis that we employ for registered investment company clients are described in the applicable fund prospectus. Methods of analysis that we employ for private funds and alternative investment clients are described in materials relating to the private placement. The methods of analysis we employ in connection with managed account programs are typically described in investment strategy profiles made available by the program sponsor. In situations where a managed account program strategy is modeled after one of our institutional mandates, we use the same methods of analysis.

SOURCES OF INFORMATION

In providing research to portfolio managers, our analysts and others involved in the research function use various sources of information, though not every source is used in all cases. Such sources include, among others, company-prepared information such as filings with the Securities and Exchange Commission and press releases, meetings with outside analysts, on-site inspections of corporate activities, financial and industry trade publications, research materials prepared by a wide variety of investment community sources, and corporate rating services. We access some of these sources of information through market data services. In addition to research received from the research department, our portfolio managers conduct their own securities analysis. Internally generated research may also be shared amongst portfolio managers, subject to our policies and procedures. Additional research comes from consultants and broker-dealers that we use to effect securities transactions. See the section titled “Client Commission Practices Policies and Procedures” for a discussion of arrangements between us and broker-dealers who provide research and the related conflicts of interest.

INVESTMENT STRATEGIES

We employ various investment strategies through our investment mandates and based on the objectives and strategies of the clients involved. Client portfolios with similar investment mandates, strategies and guidelines are generally managed similarly. Long term (securities held for at least one year), short term (securities sold within one year), trading (securities sold within thirty days) and option strategies, including option writing, may all be used, if permitted by the applicable client investment guidelines. We may also borrow securities in connection with short sales, borrow money to invest in additional portfolio securities or engage in transactions in futures contracts for some clients. We may also provide asset allocation services to certain clients, on either a discretionary or non-discretionary basis, with periodic rebalancing.

In employing investment strategies, we may use certain hedging strategies in an attempt to “hedge” or “neutralize” various risks associated with positions in a client’s portfolio. The instruments used to engage in these hedging strategies include various derivative instruments, such as options, warrants, interest rate swaps, interest rate caps and other derivative securities. Our attempts to partially or fully hedge a portfolio may not be successful and may cause the portfolio to incur a loss. In addition, some clients may attempt to hedge or neutralize various risks in their portfolios independently and with no input from us.

We do not use socially conscious screens in implementing our investment processes. Each of our portfolio managers has a fiduciary duty to manage portfolios in the best interest of our clients, but decisions are based on investment discipline rather than social considerations. In our global economy, social concerns vary by country and region and it is very difficult to implement shifting standards unless they are defined in regulatory requirements. For this reason, we have decided to implement restrictions once they become part of applicable law or regulations or a client’s specific investment guidelines and not before.

EDUCATION AND BUSINESS STANDARDS

We have minimum standards for employees responsible for providing investment advice. The minimum educational requirement for such individuals is, generally, a college degree, and we also prefer that such individuals successfully complete a professional designation, such as Chartered Financial Analyst (CFA). An advanced degree is also desirable. We may make exceptions, in our discretion, in light of appropriate work experience.

EDUCATION AND BUSINESS BACKGROUND

The following is the education and business background of our principal executive officers and directors. Principal executive officers may also be officers or directors of Ameriprise Financial or its other subsidiaries.

Principal Executive Officers and Directors

William F. “Ted” Truscott (born in 1960) President, Chairman of the Board and Chief Investment Officer (“CIO”). Mr. Truscott is also President – U.S. Asset Management, Annuities and Chief Investment Officer of Ameriprise Financial, Chairman of the Board and Chief Executive Officer of RiverSource Distributors and RiverSource Fund Distributors, and Director, President and Chief Executive Officer of the Ameriprise Certificate Company. Mr. Truscott has also served as a Director of the Registered Funds since 2001. Mr. Truscott joined the Ameriprise Financial organization in 2001. Prior to that, Mr. Truscott had served as Chief Investment Officer with Zurich Scudder Investments, Americas, from October 2000 through August 2001 and Managing Director of Zurich Scudder Investments from January 1996 through October 2000. He received a B.A. in East Asian Studies from Middlebury College and an M.B.A. from New York University.

Christopher P. Keating (born in 1957) Director, Vice President and Head of Institutional Sales, Client Service and Consultant Relationships. He joined the Ameriprise Financial organization in 2005. Prior to joining he was Executive Vice President: Sales, Client Service and Consultant Relationships at Fidelity Management Trust Company from 2002 to 2005, and Managing Director, Sales/Consultant Relations at Deutsche Asset Management from 2000-2002. He holds a B.S. in Business Administration from the University of Maine and a J.D. from Suffolk University Law School.

Brian J. McGrane (born in 1971) Director, Vice President and Chief Financial Officer. He is also currently Executive Vice President - Finance Asset Management, Insurance and Annuities, Strategic Business Analysis for Ameriprise Financial. Since joining the Ameriprise Financial organization in 1999, Mr. McGrane has also served as VP/LFO - Institutional and Brokerage (1/02-10/03), VP/LFO - US Brokerage (1/01-1/02) and Director - Financial Standards and Accounting Policy (6/99-1/01). He earned a B.A. in Accounting from St. John’s University, Collegeville, MN and is also a Certified Public Accountant.

Eleanor T. M. Hoagland (born in 1951) Chief Compliance Officer. Ms. Hoagland is also U.S. Asset Management Chief Compliance Officer for Ameriprise Financial and Chief Compliance Officer for the Registered Funds, Ameriprise Certificate Company, J. & W. Seligman & Co. Incorporated and RiverSource Service Corporation. Prior to joining the Ameriprise Financial organization in 2008, she was a Managing Director at J. & W. Seligman & Co. Incorporated where she held various risk management responsibilities related to oversight of derivatives, hedge fund and credit exposures, and brokerage allocation. She also served as the Chief Compliance Officer for the Seligman Group of Investment Companies since 2004. She holds a B.A. in Economics from Wellesley College.

Patrick T. Bannigan (born in 1965) Director, Senior Vice President-Asset Management, Products and Marketing. Mr. Bannigan is also President of the Registered Funds. Prior to joining the Ameriprise Financial organization in 2006, he was Managing Director and Global Head of Product at Morgan Stanley Investment Management from 2004 to 2006. Prior to that he served as President of Touchstone Investments from 2002 to 2004 and was Director of Strategic Planning at Evergreen Investments from 1995 to 2002. He holds a B.S. from Guilford College and a J.D. from Oklahoma City University.

Scott R. Plummer (born in 1959) Chief Legal Officer. He is also Vice President and Chief Counsel, Asset Management for Ameriprise Financial and Vice President, General Counsel and Secretary of the Registered Funds. Mr. Plummer joined the Ameriprise Financial organization in 2004 as Vice President- Asset Management Compliance. He assumed his current position in June 2005. Prior to joining the Ameriprise Financial organization, he was Senior Vice President and Chief Compliance Officer of U.S. Bancorp Asset Management and the Private Client, Trust and Asset Management Division of US Bancorp from 2002 to 2004 and Assistant Vice President and Assistant General Counsel of Hartford Life from 2001 to 2002. He earned a B.A. from the University of Wisconsin-Madison and a J.D. from William Mitchell College of Law.

Amy K. Johnson (born in 1965) Vice President and Chief Administrative Officer. Ms. Johnson joined RiverSource Investments in 2001 as Director – Product Development and Research. In 2004 she assumed the role of Vice President – Operations and Compliance focused on asset management products, and became Vice President – Asset Management and Trust Company Services from November 2006 to May 2009. She earned a B.S. and M.A. in Accounting at the University of Iowa and is also a Certified Public Accountant.

Investment Platforms and Individuals who Determine General Investment Advice

We do not have an investment committee that determines general investment advice given to our clients. However, through our Capital Markets Committee, we do prepare a quarterly market outlook that provides views on the current state of the capital markets. This outlook is made available to our investment management staff, where it may be used in managing portfolios. The Capital Markets Committee outlook is also used to provide initial guidance with respect to our development of asset allocation strategies for the Portfolio Builder mutual funds, as described in more detail in the funds' prospectus. The Capital Markets Committee is comprised of our investment professionals as well as the Heads of Managed Funds and Government Bonds from our Threadneedle Investments affiliate.

Responsibility for the implementation of investment strategies, and day-to-day investment decision-making, rests with the individual portfolio managers and portfolio management teams responsible for client accounts. The education and business background for the supervisors of these portfolio management teams is provided below.

Equity Investment Management

We maintain ten specialized investment platforms providing equity management. Four are located in New York, New York, two are located in Minneapolis, Minnesota, two are located in Boston Massachusetts, and one each in Menlo Park, California, and Cambridge, Massachusetts. In addition to his responsibilities as CIO, Mr. Truscott is responsible for the overall leadership at the New York, Menlo Park, Cambridge and Boston equity offices. John K. Schonberg, whose biographical information is provided below, is currently responsible for the overall leadership of the Minneapolis equity platforms.

Seligman Small Company Growth Team – New York, New York Office

The Seligman Small Company Growth Team strives to define catalyst-driven investment opportunities utilizing investment analysis that stresses measures of growth, profitability, and valuation.

Michael J. Alpert (born 1967) Vice President and Equity Team Leader. Mr. Alpert joined the Ameriprise Financial organization in 2008 when RiverSource Investments acquired J. & W. Seligman & Co. Incorporated. He currently leads the Seligman Small Company Growth Team and has held that position since July 2006. Prior to that, he held various progressive investment management responsibilities after joining Seligman in 1999. He has a B.A. in Economics from the University of Connecticut and an M.B.A. - Finance/Investment Management from the Wharton School of Business.

Seligman Value Team – New York, New York Office

The Seligman Value Team strives to identify catalyst-driven investment opportunities in concentrated portfolios of undervalued companies through a bottom-up, fundamental investment process.

Neil T. Eigen (born in 1943) Vice President and Equity Team Leader. Mr. Eigen joined the Ameriprise Financial organization in 2008 when RiverSource Investments acquired J. & W. Seligman & Co. Incorporated. He currently leads the Seligman Value Team, serving as Co-Portfolio Manager for Small and Large Cap strategies, and has held various progressive investment management responsibilities since joining Seligman in 1997. He has a B.S. in Investment Analysis from New York University.

Seligman Growth Team – New York, New York Office

The Seligman Growth Team strives to identify catalyst-driven investment opportunities through extensive quantitative and qualitative research utilizing a bottom-up analysis investment process for stock selection.

Erik J. Voss (born in 1967) Vice President and Equity Team Leader. Mr. Voss joined the Ameriprise Financial organization in 2008 when RiverSource Investments acquired J. & W. Seligman & Co. Incorporated. He currently heads the Seligman Core/Growth Investment Team and has served as a Portfolio Manager at Seligman since 2006. Prior to joining Seligman, he was a Portfolio Manager at Wells Capital Management from 2000 to 2006. He has a B.S. in Mathematics and an M.S. in Finance – Applied Securities Program, both from the University of Wisconsin. He has also earned the Chartered Financial Analyst designation.

Seligman Asset Allocation Investment Team – New York, New York Office

The Seligman Asset Allocation Investment Team supervises an asset allocation strategy that is based upon an analysis of historical performance of different asset classes to create investment portfolios for specific investment time frames or risk tolerances.

Charles W. Kadlec (born in 1946) Vice President - Product Management and Development. Mr. Kadlec joined the Ameriprise Financial organization in 2008 when RiverSource Investments acquired J. & W. Seligman & Co. Incorporated. Mr. Kadlec joined Seligman in 1985 and has served as a portfolio manager for numerous asset allocation strategies. He has a B.A. in Political Science from the University of Illinois and an M.B.A. – International Finance & Economics from the University of Chicago.

Seligman Technology Group – Menlo Park (formerly Palo Alto), California Office

The Seligman Technology Group seeks to identify investment opportunities utilizing extensive in-depth research into specific companies in the technology, communications, information, health and related industries using a bottom-up stock selection approach.

Paul H. Wick (born in 1963) Vice President and Equity Team Leader. Mr. Wick joined the Ameriprise Financial organization in 2008 when RiverSource Investments acquired J. & W. Seligman & Co. Incorporated. He currently leads the Seligman Technology Group and has served as a Portfolio Manager at Seligman since 1989. Mr. Wick began his investment career at Seligman, joining the firm in 1987. He has a B.A. – Economics and an M.B.A. in Finance, both from Duke University.

Disciplined Equity & Asset Allocation Team – Cambridge, Massachusetts Office

The Disciplined Equity & Asset Allocation Team strives to achieve excess return and lower risk in high-performing stocks identified through proprietary quantitative models. This Team also applies its quantitative techniques to the management of asset allocation strategies.

Dimitris J. Bertsimas (born in 1962) Vice President and Senior Portfolio Manager. Dr. Bertsimas joined the Ameriprise Financial organization in 2002 and currently leads, manages and oversees operations in the Cambridge, Massachusetts office. Currently he is also Boeing Professor of Operations Research, Sloan School of Management and the Operations Research Center at the Massachusetts Institute of Technology (MIT). Prior to 2002 Dr. Bertsimas served as a consultant with leading asset management companies from 1992 to 2002. He co-founded Dynamic Ideas, LLC, in 1999, serving as its managing partner prior to the acquisition of its assets by Ameriprise Financial in 2002. Dr. Bertsimas earned a B.S. degree from national Technical University in Athens, Greece, and an M.S. and a Ph.D. from MIT.

Small/Mid Cap Growth and Specialty Equity Team – Minneapolis, Minnesota Office

The Small/Mid Cap Growth and Specialty Equity Team seeks to identify long-term, high quality growth companies through proprietary research and a focus on solid business fundamentals.

John K. Schonberg (born 1965) Senior Equity Leader and Senior Portfolio Manager. Mr. Schonberg joined the Ameriprise Financial organization in 1997 as a Senior Portfolio Manager managing large capitalization growth portfolios for institutions. Prior to joining, he worked at Piper Jaffray for 10 years as portfolio manager and analyst. Mr. Schonberg earned a B.S. in Finance from the University of Nebraska and completed the Chartered Financial Analyst program in 1990. He is also a member of the Twin Cities Society of Security Analysts.

Contrarian Equity Team – Minneapolis, Minnesota Office

The Contrarian Equity Team targets undervalued companies of all sizes through quantitative screening, fundamental research, best ideas and benchmark comparison. John Schonberg is responsible for the overall leadership of the Contrarian Equity Team, though he does not exercise portfolio management responsibilities for accounts managed by the team. The portfolio managers responsible for day-to-day management are Steve Schroll, Laton Spahr and Paul Stocking.

Biographical information for Mr. Schonberg is provided above under “Small/Mid Cap Growth and Specialty Equity Team.”

Financial Spectrum Strategy Investment Team – Boston, Massachusetts Office

The Financial Spectrum Strategy Investment Team seeks to identify investment opportunities utilizing extensive in-depth research into specific companies in the financial sector using a bottom-up stock selection approach.

Bryan Beauchesne, (born 1974) Vice President and Portfolio Manager. Mr. Beauchesne joined the Ameriprise Financial organization in 2003 and has been managing long/short assets in the Financial sector for more than five years. His prior investment experience includes equity analysis for American Express Asset Management and Essex Investment Management, both based in Boston. Mr. Beauchesne graduated cum laude from Rensselaer Polytechnic Institute with a BS in Physics, with a concentration in Astrophysics. He received his MBA with Honors from MIT Sloan School of Management. He is a member of the BancAnalysts Association of Boston.

Robert Roell, (born 1977) Vice President and Portfolio Manager. Mr. Roell joined the Ameriprise Financial organization in 2002 and has been managing long/short assets in the Financial sector for more than five years. His prior investment experience includes equity and credit analysis for Madison Investment Advisors and Stark Investments, both based in Wisconsin. Mr. Roell graduated from the University of Wisconsin, Madison with a BA in Business Administration. He received his MS in Finance, Investment and Banking from the University of Wisconsin, Madison. He holds the designation of Chartered Financial Analyst.

RiverSource Integrity Team – Boston, Massachusetts Office

The RiverSource Integrity Team seeks to identify investment opportunities utilizing a long/short equity strategy with emphasis on low volatility, consistent long-term results and capital preservation.

Stephen C. Demirjian, (born in 1961) Vice President and Portfolio Manager. Mr. Demirjian joined the Ameriprise Financial organization in 2009 with more than 25 years of investment industry experience. Prior to joining, he was a Founder and Managing General partner at Integrity Capital Management, a Boston-based manager of long/short private funds from 2003 to 2009. Prior to his tenure at Integrity, Mr. Demirjian was

President and Director at Westfield Capital Management from 1996 to 2003. He holds a B.A. from Tufts University and an M.B.A. from Babson College.

Murphy vanderVelde, (born in 1965) Vice President and Portfolio Manager. Mr. vanderVelde joined the Ameriprise Financial organization in 2009 with more than 21 years of investment industry experience. Prior to joining, he was Chief Operating Officer and Chief Risk management Officer at Integrity Capital Management, a Boston-based manager of long/short private funds from 2007 to 2009. Prior to his tenure at Integrity, Mr. vanderVelde was a Co-Founder and Chief Executive Officer of Midway United from 2005 to 2007. Prior to his tenure at Midway, he was Managing Director and Senior Vice President at Miller Tabak, a Boston-based institutional trading firm from 2002 to 2006. He holds a B.A. from Trinity College.

Fixed Income Investment Management

We maintain two specialized investment platforms providing fixed income management located in Minneapolis, Minnesota and Los Angeles, California. Timothy M. Masek, Head of Fixed Income Research, is currently responsible for the overall leadership of fixed income investment activities.

Fixed Income Team – Minneapolis, Minnesota Office

The Fixed Income Team seeks to design and execute investment strategies that drive performance by leveraging team-based sector leadership and expansive, high quality research.

Colin J. Lundgren (born in 1964) Vice President – Institutional Fixed Income. Mr. Lundgren joined the Ameriprise Financial organization in 1986 and became manager of the Investment Statistical Group in 1989. Since then, he has held positions of responsibility for the development and operation of enhanced equity index products, fixed income quantitative analysis, mortgage sector analysis and portfolio management. He earned a B.A. in Political Science from Lake Forest College. He earned the Chartered Financial Analyst designation in 1995, and is a member of the Twin Cities Society of Security Analysts.

Timothy J. Masek (born in 1959) Vice President and Director of Fixed Income Research. Mr. Masek joined the Ameriprise Financial organization in 1993 and has been the Director of Fixed Income Research since 1994. Prior to joining, he worked as a fixed income analyst in the public and private markets for two money management firms. He earned a B.S. and an M.B.A. from the University of Minnesota. He also earned the Chartered Financial Analyst designation in 1990 and is a member of the CFA Society of Minnesota.

Thomas W. Murphy (born in 1964) Vice President and Senior Sector Leader – Investment Grade Credit. Mr. Murphy joined the Ameriprise Financial organization in 2002 with more than 15 years of financial services experience. Most recently he worked at BlackRock Financial Management where he served as Managing Director and Portfolio Manager. Prior to BlackRock, he worked for 10 years at Zurich Scudder Investments. He holds an M.B.A. from the University of Michigan, and a B.B.A. from The University of Notre Dame. He earned the Chartered Financial Analyst designation in 1995.

Nicholas “Nic” S. Pifer (born in 1964) Vice President and Senior Sector Leader-Global Fixed Income. Mr. Pifer joined the Ameriprise Financial organization in 2000. Previously, he worked for three years at Investment Advisers, Inc. (IAI), where he managed international and global fixed income portfolios as a Fixed Income Portfolio Manager. Prior to joining IAI, he worked for six years at the Federal Reserve Bank of New York. He holds a B.A. from Wesleyan University, and an M.A. from the Johns Hopkins School of Advanced International Studies (SAIS). He earned the Chartered Financial Analyst designation in 1999 and is a member of the Twin Cities Society of Security Analysts.

Jennifer Ponce de Leon (born in 1967) Vice President and Senior Sector Leader – High Yield Fixed Income. Ms. Ponce de Leon joined the Ameriprise Financial organization in 1997 as a Senior Credit Analyst covering high

yield bonds and was promoted to Portfolio Manager in 2000. She assumed her current capacity as Sector Leader in 2003. Ms. Ponce de Leon has been in the investment industry specializing in High Yield Bonds since 1989. She was previously employed at T. Rowe Price Associates as a vice president and senior credit analyst covering high yield bonds. Prior to that, she held a similar position at Stein Roe & Farnham. She graduated from Augustana College with a B.A. in Business Administration, and earned an M.B.A. with a concentration in Finance from De Paul University.

Scott A. Schroepfer (born in 1959) Sector Manager - High Yield Fixed Income. Mr. Schroepfer joined RiverSource Investments in 1990 as a Credit Analyst and was promoted to Associate Portfolio Manager in 1994 and then, to Portfolio Manager in 1995. He earned a B.S. in Business Administration from the University of Wisconsin and an M.B.A. with a concentration in Finance from the University of Minnesota. He has earned the Chartered Financial Analyst designation and is a member of the CFA Society of Minnesota.

Catherine Stienstra (born in 1961) Vice President and Sector Leader – Tax-Exempt. Ms. Stienstra joined the Ameriprise Financial organization in 2007 with more than 17 years experience in municipal bond management. Prior to joining, Ms. Stienstra was a Director and Senior Portfolio Manager with FAF Advisors, Inc. (formerly U.S. Bancorp Asset Management) from 1998 to 2007. Prior to FAF Advisors, Inc. she held numerous investment management and trading positions at Piper Capital Management from 1990 to 1998. Ms. Stienstra holds a B.A. from the University of Nebraska and is also a member of the Minnesota Municipal Society of Analysts.

Todd White (born in 1964) Vice President and Senior Sector Leader - Liquid and Structured Assets. Mr. White joined RiverSource Investments in 2008 and has been in the financial services industry since 1986. He was previously employed as Managing Director and Global Head of Asset-Backed and Mortgage-Backed Securities businesses at HSBC, from 2004 to 2008, where he also led the North American Interest Rate business. Prior to that, he served as Managing Director and Head of Business for Mortgage Pass-Throughs and Options at Lehman Brothers from 2000 to 2004. He holds a B.S. in Finance from Indiana University.

Fixed Income Strategy Committee

Certain members of our fixed income sector teams serve on a strategy committee responsible for implementation of the overall investment strategy for “core” and “core plus” fixed income portfolios. The primary responsibilities of the committee are to determine sector allocation, curve positioning and interest rate exposure for these portfolios. Voting members of the committee include Tom Murphy, Scott Schroepfer and Todd White.

RiverSource Leveraged Debt Group - Los Angeles, California Office

The RiverSource Leveraged Debt Group seeks to maximize return and minimize default risk in managing high yield loans, bonds and other assets.

Lynn A. Hopton (born in 1960) Vice President and Senior Portfolio Manager, Co-Head of the RiverSource Leveraged Debt Group. Ms. Hopton maintains primary responsibility and oversight in managing high yield investments employed in the leveraged debt strategies. She joined the Ameriprise Financial organization in 2000 after nine years at SunAmerica Inc., where she had been responsible for managing investments across a variety of asset classes. She is a Phi Beta Kappa graduate of Northwestern University with a B.A. in Economics and has an M.B.A. from the J.L. Kellogg Graduate School of Management at Northwestern University.

Yvonne E. Stevens (born in 1964) Vice President and Senior Portfolio Manager, Co-Head of the RiverSource Leveraged Debt Group. Ms. Stevens maintains primary responsibility and oversight in managing bank loan investments employed in the leveraged debt strategies. She joined the Ameriprise Financial organization in 2000, after almost seven years at SunAmerica Inc., where she was a portfolio manager investing in a variety of asset classes including CLOs, other structured products, senior secured debt, and emerging markets. She received her B.A. from Wellesley College and an M.B.A. from the Wharton School of Business.

Individuals Supporting Other Core Functions

The education and business background for other key individuals supporting our investment advisory activities is provided below.

Kent M. Bergene (born in 1958) Vice President - Product Planning and Strategy. Mr. Bergene joined the Ameriprise Financial organization in 1981. He is a member of the portfolio management team for the RiverSource Portfolio Builder Funds and a member of the subadvised strategies team, a dedicated group of investment specialists who conduct analysis to select and oversee money managers for subadvised equity strategies. Mr. Bergene received a B.S. in Mathematics from the University of North Dakota.

Debbie Galka (born in 1966) Vice President, Head of Risk Management. Ms. Galka joined the Ameriprise Financial organization in 1989. Since that time she has held numerous investment management operations and finance positions, most recently Vice President, Investment Business Systems from 2002 to 2004 and Vice President, Project Management from 2004 to 2007. Ms. Galka holds a B.S in Finance from St. Cloud State University and an M.B.A. with a concentration in Finance from the University of St. Thomas.

David M. Joy (born in 1952) Vice President – Capital Market Strategist. Mr. Joy joined the Ameriprise Financial organization in 2003 and is a member of the Capital Markets Committee. He earned a B.A. from the College of Holy Cross and an M.B.A. from the Boston College Carroll School of Management.

Joseph P. Nee (born in 1961) Vice President – Product Management and Development. Mr. Nee joined the Ameriprise Financial organization in 2007 with more than 21 years of mutual fund industry experience. Most recently he was Vice President and Head of Product Strategy and Development at JP Morgan Funds from 2002 to 2007. Mr. Nee received a B.A. in Finance from the University of Massachusetts and an M.B.A. from Northeastern University.

Michael Robinson (born in 1954) Head of Platform Distribution and Business Development. Mr. Robinson joined the Ameriprise Financial organization in 2007 as Vice President, Threadneedle Product Specialist and transitioned to his current role in 2009. Prior to joining, he was employed by American Century Investments for 18 years, most recently as Vice President, Client Portfolio Manager. He graduated from the U.S. Military Academy of West Point and holds a MA from Webster University.

OTHER BUSINESS ACTIVITIES

While our principal business is investment advisory services, we also provide client services and financial product development and support. We may also provide our investment advisory clients with investment accounting and other administrative services through a sub-delegation arrangement with our parent company, Ameriprise Financial.

We are part of the Ameriprise Financial organization. Ameriprise Financial and its affiliates make available a diverse array of financial products and services, and we may be deemed the “sponsor” of some of these products or services.

FINANCIAL INDUSTRY ACTIVITIES OR AFFILIATIONS

On September 30, 2009, Ameriprise Financial, the parent company of RiverSource Investments, announced it had entered into a definitive agreement to acquire the long-term asset management business of Columbia Management from Bank of America. This transaction, if consummated, is expected to add extensive talent, enhance our lineup of retail and institutional investment products, and strengthen our distribution platforms. The transaction is expected to close in the spring of 2010.

Ameriprise Financial owns 100% of the voting interests of our firm. As part of the Ameriprise Financial organization, we receive general corporate services, including administrative support, equipment and facilities from Ameriprise Financial and certain of its wholly-owned subsidiaries, some of which are domiciled in foreign jurisdictions. For example, certain administrative services are provided by a wholly-owned subsidiary of Ameriprise Financial based in India and Threadneedle, an entity more fully described below, assists us in meeting various European regulatory requirements. Our eligible employees also receive certain employee benefits from Ameriprise Financial.

As described below, many of our affiliates engage in activities that are material to our advisory business or to our clients. We may utilize, suggest or recommend the services of these affiliated entities. Some of our officers and employees are also officers or employees of affiliated entities. These officers and employees put our clients' interests first, but they may have an incentive to make recommendations, or take actions, that benefit the affiliated entity or put the affiliated entity's interests ahead of our own.

On November 7, 2008, we completed our acquisition of J. & W. Seligman & Co. Incorporated ("Seligman"). With the completion of the acquisition, we became the investment manager or adviser for nearly all of Seligman's clients and Seligman Investments is now one of our offering brands.

Broker-Dealers

RiverSource Fund Distributors, an SEC-registered broker-dealer formerly known as Seligman Advisors, Inc., serves as the principal underwriter and distributor of the Registered Funds and serves as a placement agent or distributor of private and foreign funds managed by us. RiverSource Fund Distributors also provides certain marketing, distribution and sales support services for the RiverSource Trust collective funds, which are maintained by Ameriprise Trust Company (a wholly owned subsidiary of Ameriprise Financial) and many of which are subadvised by us. Our sales personnel are registered representatives of RiverSource Fund Distributors and may introduce current or prospective investment advisory clients to mutual funds, private funds and collective funds managed by us. RiverSource Fund Distributors also serves as the principal underwriter and distributor of the Seligman Portfolios, Inc., the RiverSource Variable Portfolio funds, the RiverSource Partners Variable Portfolio funds, the Disciplined Asset Allocation Portfolios funds and the Threadneedle Variable Portfolio funds (the "RiverSource Variable Series Trust funds"), investment companies offered and sold to insurance companies. RiverSource Fund Distributors also offers our separately managed account strategies to wrap program sponsors pursuant to a referral arrangement.

RiverSource Distributors, Inc. ("RiverSource Distributors") distributes variable annuity and variable life insurance products issued by RiverSource Life Insurance Company ("RiverSource Life") and RiverSource Life Insurance Co. of New York ("RiverSource Life of NY") through other broker-dealers, including Ameriprise Financial Services.

We pay from our own resources or arrange for the payment of financial support to RiverSource Fund Distributors and RiverSource Distributors to help promote and support the distribution of RiverSource Variable Series Trust funds and other Registered Funds.

We are also affiliated with Ameriprise Financial Services, an SEC-registered broker-dealer and investment adviser that is a wholly-owned subsidiary of Ameriprise Financial as well as Securities America, Inc., a registered broker-dealer. These broker-dealers and other third party broker dealers distribute the shares of Registered mutual funds we manage and may also offer and sell shares of any Registered closed-end funds that we develop or currently manage.

We participate in managed account programs sponsored by Ameriprise Financial Services. In connection with these programs, another broker-dealer affiliate of ours, American Enterprise Investment Services Inc. ("AEIS"), may provide custody and safekeeping services for managed account program client assets and will ordinarily act as the custodian for all assets held in managed account program accounts. AEIS also serves as Ameriprise

Financial Services' clearing agent in providing execution and clearing capabilities for program transactions that are executed by Ameriprise Financial Services. Ameriprise Financial Services and AEIS have an agreement in which Ameriprise Financial Services introduces customer accounts to AEIS on a fully disclosed basis and AEIS provides execution, record keeping, and all other clearing functions for accounts. Aside from these managed account program activities, we do not execute securities transactions through our broker-dealer affiliates.

Investment Companies

We are affiliated with investment companies managed by us or our affiliates, including the Registered Funds, ACC, and certain private funds. Ameriprise Financial provides administrative and accounting services for the Registered Funds and ACC.

Investment Advisers

Our parent company, Ameriprise Financial, also owns Threadneedle Asset Management Holdings SARM, which in turn owns TAM UK Holdings Ltd, which in turn owns Threadneedle Asset Management Holdings Limited, the parent of Threadneedle Asset Management Limited ("TAML"), an FSA-registered adviser, and Threadneedle International Limited ("TINTL"), an FSA- and SEC-registered adviser. We have an agreement with TINTL under which TINTL provides discretionary investment management services to some of our clients in a sub-advisory capacity, including certain mutual funds and private funds advised by us. We also have a written solicitation agreement with TINTL. Pursuant to this arrangement, our employees are entitled to receive compensation for solicitation activities in connection with the referral of investment advisory clients to TINTL. TINTL and TAML comprise Threadneedle Asset Management, which is a separate firm for GIPS® compliance purposes.

We are also affiliated with Ameriprise Financial Services, an SEC-registered investment adviser and broker-dealer that provides retail investment advisory services and engages in the broker-dealer activities described above, as well as Securities America Advisors, Inc., an SEC-registered investment adviser. From time to time, Ameriprise Financial Services may refer prospective clients to us through a solicitation arrangement, as described above.

As a result of the Seligman acquisition noted above, Seligman became one of our wholly-owned subsidiaries. It is anticipated that Seligman's investment adviser registration will be withdrawn during 2010 and the entity will subsequently be dissolved.

Financial Planning Firm

Our affiliate, Ameriprise Financial Services, the dual registrant investment adviser and broker-dealer described above, offers financial planning services through its Ameriprise Financial Planning Service in the form of a personal financial plan that includes written analysis and specific investment and other product recommendations available from Ameriprise Financial Services and its affiliates. Products recommended may include mutual funds or other products managed by us, and asset allocation and financial planning tools used may be developed based on the input or recommendations of our portfolio management personnel.

Securities America Advisors, Inc. and Ameriprise Financial Services, our affiliates that are not involved in our asset management business, may provide pension consulting services from time to time.

Banking or Thrift Institutions

Ameriprise Trust Company (ATC), a Minnesota-chartered trust company, serves as trustee and offers investment management and related services to collective funds and institutional separate accounts. We provide investment advice to certain of these accounts in a subadvised capacity. ATC serves as the named custodian for these clients and ACC although certain custodial functions are delegated to a sub-custodian engaged by ATC.

We are also affiliated with and provide asset-liability management to Ameriprise Bank, FSB, Member FDIC, a subsidiary of Ameriprise Financial Services.

Insurance Companies

We currently serve as non-discretionary investment adviser to the Portfolio Navigator Asset Allocation Program (“Portfolio Navigator Program”), which is available to owners of certain variable annuity contracts and/or life insurance policies issued by one of our insurance company affiliates. These affiliates, which sponsor and administer the Portfolio Navigator Program, include RiverSource Life and its subsidiary, RiverSource Life of NY. Additional information regarding the investment advisory services offered under the Portfolio Navigator Program is available in a separate investment adviser disclosure document maintained by us.

Through Ameriprise Financial, we are affiliated with RiverSource Life, a licensed insurance company in 49 states, as well as the District of Columbia and American Samoa and RiverSource Life of NY, licensed to do business as an insurance company in New York. The products of our insurance company affiliates include fixed life insurance, variable life insurance, and disability insurance and fixed and variable annuities. Additionally, the RiverSource Variable Series Trust funds we manage are investment options offered within those variable annuity and variable life insurance products.

Private Funds

We sponsor and serve as investment adviser to several private funds organized as limited partnerships, limited liability corporations or non-U.S. entities. We are the parent to various entities that serve as the general partner or managing member of these private investment vehicles.

The private funds we sponsor are exempt from U.S. fund registration under the Investment Company Act of 1940 and are organized as single manager private funds in a master-feeder structure or stand-alone investment vehicles. These funds are privately offered to U.S. and non-U.S. investors, who generally must be “accredited investors,” “qualified purchasers” and “qualified eligible purchasers” as defined under the federal securities and commodity laws.

Our affiliate TINTL also sponsors and manages private funds that are offered to non-U.S. clients and to U.S. clients through Threadneedle International North America.

Custody

We do not maintain custody of client funds or securities; however, AEIS, one of our broker-dealer affiliates, and ATC, our trust company affiliate, act as custodian of assets for clients to whom we may provide investment advice or other investment advisory services. Because AEIS provides custody for certain of our clients in connection with the advisory services we provide these clients, we are required under SEC Rule 206(4)-2 (the “Custody Rule”) to obtain from AEIS a written internal control report (the “ICR”), such as a Type II SAS 70 report, at least annually from an independent public accountant registered with and regularly inspected by the Public Company Accounting Oversight Board. The ICR that we receive from AEIS is intended to show that AEIS has established appropriate custodial controls with respect to client assets that are under custody. We do not undergo an annual surprise examination by an independent public accountant with respect to those client assets for which AEIS has custody because AEIS is operationally independent from us and, as a result, the Custody Rule does not require such an examination. With respect to the collective funds maintained by ATC and for which we act as subadviser and the private funds that we manage and sponsor (regardless of whether we are deemed to have custody of the funds’ assets under the Custody Rule), we intend to continue to engage an independent public accountant to conduct an annual audit of those funds and provide the results of those audits to investors. Further, with respect to the collective funds maintained by ATC we intend to seek an ICR as required by the Custody Rule. Finally, we may receive fees directly from client accounts pursuant to automatic deduction arrangements when authorized by the client as described elsewhere in the “Billing Methodology” section of this Brochure.

The foregoing describes situations where we may be deemed to have custody of client assets even when we do not have actual, physical custody of client assets. Although we do not maintain custody of client assets, we may on occasion inadvertently receive client funds or securities. If we inadvertently receive funds or securities attributable to a client or former client from a third party, we will forward the funds or securities to the client, former client or the client's qualified custodian no later than five business days following receipt. For example, if we receive class action settlement proceeds from a third party administrator, we will forward the proceeds without imposing any additional service charge other than the fees charged for managing the client's account under the client advisory agreement. If we are unable to forward the funds or securities we have inadvertently received, we will promptly return the proceeds to the third party no later than five business days following receipt.

PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS

Ameriprise Financial and its subsidiaries, which includes us, constitute a large diversified financial services organization. As a result of this and other aspects of our business, conflicts of interest may arise among our different clients and between us and our clients. Conflicts of interest that may arise in the course of providing investment advisory services are described throughout this brochure, as are some of our policies and procedures designed to address specific conflicts of interest, such as our Code of Ethics and trading procedures.

We have a compliance program in place that is intended to identify, mitigate and, in some instances, prevent actual and potential conflicts of interest, as well as to ensure compliance with legal and regulatory requirements and ensure compliance with client investment guidelines and restrictions. Our compliance program includes written policies and procedures that we believe are reasonably designed to prevent violations of applicable law and regulations.

Our various business units typically take front-line responsibility for ongoing implementation and monitoring of our policies and procedures, with oversight provided by our compliance department. We also maintain various committees, which provide oversight and review of compliance across functional boundaries including several operating committees, whose membership is comprised of personnel from the impacted business area(s). These committees receive input from our compliance and legal departments and help ensure compliance with some of these policies and procedures. Some of the key committees (or subcommittees) supporting our compliance program efforts include those committees (or subcommittees) responsible for proxy voting, subadviser oversight, Code of Ethics oversight, valuation, best execution and trading, portfolio holdings disclosure and new products.

Trading for multiple accounts

We and our affiliates may give advice and take action with respect to the funds or accounts we manage, or for our own accounts, that may differ from action taken by us on behalf of other funds or accounts. We and our affiliates are not obligated to recommend, buy or sell, or to refrain from recommending, buying or selling any security that we or our respective access persons, as defined by the 1940 Act, may buy or sell for our own accounts or for the accounts of any other client. We and our affiliates may invest in securities held by funds or accounts that we manage unless such investments violate our "Investment Adviser Code of Ethics," described below. Our affiliates and related persons may deal for their own accounts in securities that we may recommend to clients. Recommendations made and transactions initiated for clients are made independently and are not based on the interests of related persons.

From time to time, we may engage in principal transactions involving a non-mutual fund client account and an account owned by us or an affiliate. In this type of transaction, we or an affiliate buy securities from, or sell securities to, an advisory client. Principal transactions are conducted only in accordance with SEC disclosure and consent requirements.

Use of affiliated brokers and cross transactions

We do not effect securities transactions through affiliated brokers for our institutional and alternative investment or asset-liability management clients. However, we may execute securities transactions through affiliated brokers in connection with managed account programs sponsored by Ameriprise Financial Services that are structured as bundled or wrap fee arrangements. In these situations, consistent with our obligation to seek best execution, we generally direct transactions to Ameriprise Financial Services for execution on an agency basis through its clearing broker, AEIS, both because of its execution capabilities and because the wrap fees paid by clients participating in the program cover transaction charges only when transactions are directed to Ameriprise Financial Services for execution through AEIS on an agency basis. It is possible that we would send an order on behalf of a client to one of our affiliated broker-dealers authorized to execute transactions for such clients and at the same time the affiliate would execute the opposite order for one of its brokerage customers.

While we do not engage in agency cross transactions, where a broker-dealer affiliated with us would act as broker for both sides of the transaction, we may from time to time effectuate a cross transaction of one or more securities from one client account to another client account of ours or an affiliate. The procedures that govern these transactions require that the securities be crossed at the independent current market price (as defined in the procedures) and that no brokerage commission, fee or other remuneration, except for customary transfer fees, be paid in connection with the transaction. Since, in such transactions, we or our affiliate will represent both the client selling and the client buying, there may be a conflict of interest given the obligation to seek best execution. In other situations for certain alternative investment clients we may provide disclosure and obtain certain consents, including prospective consent, to transactions between two special purpose or other pooled vehicle clients. We or an affiliate may have an interest in one or more of these pooled vehicles. Absent the appropriate disclosure and consent as may be required by applicable law, cross transactions will not be effected with any client account that is subject to ERISA or an account that is owned by us or an affiliate.

Products sold or managed by us in which we have an interest

Our employees who are also registered representatives of our affiliated broker-dealer, RiverSource Fund Distributors, may offer qualified clients the opportunity to invest in a mutual fund or private fund managed by us or a collective fund managed by our affiliate, ATC, and sub-advised by us. We will not exercise our discretion to place client assets in those funds unless it is allowed by a specific provision in the client's agreement with us and then it will be done in accordance with applicable legal requirements.

We provide asset allocation services to certain clients and doing so presents conflicts of interest. For example, we act as investment adviser to mutual funds (a fund of funds) and managed account programs that invest in other underlying mutual funds that are also advised by us. When deciding which underlying mutual funds to include in a fund of funds or managed account program strategy, we have an incentive to allocate more assets to underlying funds that have higher fees. Also, we have a non-discretionary advisory role in our Portfolio Navigator Asset Allocation Program whereby a third party provides us with recommendations in designing and periodically updating certain asset allocation model portfolios which may include investments in underlying mutual funds advised by us or investments in underlying mutual funds advised by a third party that pays compensation to us or our affiliates. To the extent that we have the ability to influence which underlying mutual funds are included in the third party's asset allocation models, we have an incentive to include mutual funds managed by us or by third parties that pay compensation to us or our affiliates. In these situations, how we exercise our influence over the choices of funds included in model portfolios, a fund of funds, or managed account program strategies may be influenced by whether we believe an underlying fund may benefit from additional assets or be harmed by redemptions. Moreover, where a third party is involved in the implementation or sponsorship of an asset allocation program, we may provide input to the third party in connection with overall program structure that results in certain direct or indirect benefits to us and/or our affiliates. For example, in the Portfolio Navigator Asset Allocation Program, we request that certain volatility constraints be applied in developing and updating asset allocation model portfolios to help mitigate certain risks associated with our affiliated life insurance company's hedging program.

There are also performance risks associated with the periodic rebalancing and updating of asset allocation portfolios, and these risks present certain conflicts of interest for us in situations where we manage the underlying mutual funds used in an asset allocation program. For example, rebalancing a portfolio in an asset allocation program can cause the underlying funds in which the portfolio invests to incur transactional expenses to raise cash for money flowing out of the funds or to buy securities with money flowing into the funds and may cause the funds to sell securities at less favorable prices than would be the case if the fund's manager was not forced to raise cash in the portfolio. These price differences could be significant during periods of market stress, where disorderly market conditions may make it difficult or impossible to sell investments at certain prices or at all. Moreover, large outflows of money from the funds may increase the expenses attributable to the assets remaining in the funds. These factors can adversely affect the performance of the relevant funds and the asset allocation portfolios themselves. In addition, when a particular fund needs to buy or sell securities due to periodic rebalancing or updating of an asset allocation portfolio, it may hold a large cash position. A large cash position (generated by selling securities or large inflows) could detract from the achievement of the fund's investment objective in a period of rising market prices; conversely, a large cash position would reduce the fund's magnitude of loss in the event of falling market prices and provide the fund with liquidity to make additional investments or to meet redemptions. For additional information regarding the risks of investing in a particular fund, see that fund's prospectus.

Our personnel are investors in the mutual funds and other pooled investment vehicles for which we or a related person acts as investment adviser. In some cases, these investments are substantial. These investment vehicles are treated as clients. As a result, the underlying securities transactions in these vehicles are not subject to the personal trading restrictions described below, nor are they treated as "Proprietary Accounts" for purposes of the trading procedures described in the section below titled "Best Execution."

From time to time, we or an affiliate may invest assets in an account for the purpose of creating a track record that will later be used to market an investment style. The level of assets invested in such "incubator accounts" may be substantial. Since the goal of an incubator account is to create a marketable track record, we or an affiliate may increase asset levels in an incubator account to meet market expectations regarding assets under management. When an incubator account's investment style is brought to market and client assets are committed to that investment style, we may withdraw our assets from the incubator account, though we would attempt to do so without impairing our ability to effectively manage pursuant to the investment style. We do not bring to market all investment styles for which incubator accounts are established. We maintain a revolving credit arrangement with our parent company that allows us to obtain loans from Ameriprise Financial to support the funding of our incubator accounts. The outstanding balance on this line of credit may be substantial at times, and our parent company has the ability to terminate this agreement on 60 days notice. Termination of this agreement may trigger a need to raise cash by liquidating certain securities positions relating to our seed investments that may also be held in our client accounts.

Other Conflicts of Interest

We face many conflicts of interest in connection with our investment management business. Our policies and procedures are designed to address these conflicts, either through disclosure, mitigation or prevention.

Securities Issued by Ameriprise Financial or Our Clients

Our parent company, Ameriprise Financial, issues various securities from time to time, including common stock. It is our policy that no securities issued by Ameriprise Financial will be purchased for client accounts where we exercise investment discretion, unless the client account is passively managed in an effort to match the returns of an index in which an Ameriprise Financial security is included. Therefore, a client account that is actively managed to an index will not hold any Ameriprise Financial securities even if such securities are included in the index. Accordingly, an account's performance versus such an index will likely differ.

We may invest the assets of our client accounts in the publicly traded securities of other clients or prospective clients. We may also invest the assets of our client accounts in securities issued by companies that are customers

of our affiliates. In such circumstances, we do not and will not receive any compensation from the issuer specifically for investing client assets in such issuer's securities.

Other Affiliated Relationships

We may also invest the assets of our client accounts in securities issued by companies that have material relationships with us or an affiliate. For example, an issuer may be a distribution partner or commercial banking customer of our affiliate. In such circumstances the potential for a conflict of interest exists between our obligation to seek the most suitable investments for our clients and the perception that we have an incentive to assist in developing the business relationship or the success of our affiliate. In addition, we or our affiliates may have business arrangements with a third party that may influence our decision to retain that third party to assist in providing services to our clients. In these situations, we consider our obligations to our clients, and we seek to take action that is in the best interest of our clients. We may also have a sponsorship role in the establishment of a special purpose or pooled vehicle client, which may be significant in some cases and may require us to engage third parties in connection with the product development phase.

Dual Role Played by Certain Officers and Employees

Some of our officers and employees are also officers or employees of our parent company or one or more affiliates that may directly or indirectly benefit from our client relationships or advisory activities. Similarly, our officers and employees may also be officers and employees of RiverSource Life Insurance Company, which administers and sponsors the Portfolio Navigator Program for which we currently serve as non-discretionary investment adviser and issues the variable contracts that make the Portfolio Navigator Program available. In these circumstances, the potential for a conflict of interest exists between the obligations to our clients and the incentive to make recommendations, or take actions, that benefit one or more of our other affiliates. See the section entitled Principal Executive Officers and Directors for more information about multiple roles.

Advisory Programs that Utilize the Funds we Manage

We participate in certain advisory programs that invest or allocate all or a portion of a client's assets in one or more funds managed by us or an affiliate, such as a RiverSource mutual fund. In these situations, we or our affiliates may receive higher compensation as a result of an investment in, or allocation to, these underlying funds. In addition, higher percentages allocated to these underlying funds will generally result in greater overall compensation to us or our affiliates and may benefit one or more affiliates that provide services to the fund. These relationships create an incentive for us to use our own funds in these advisory programs, and may influence our decisions with respect to the universe of available funds in connection with the development and ongoing maintenance of these programs.

In addition, we, in our capacity as investment adviser to the underlying funds that may be used in certain advisory programs, monitor the performance of the underlying funds. In this role, we may, from time to time, recommend to the board of directors of an underlying fund a change in portfolio management or fund strategy or the closure or merger of a fund. In addition, we may believe that certain funds may benefit from additional assets or could be harmed by redemptions. All of these factors may also influence our decisions, and the identification of the universe of available funds in connection with the development and ongoing maintenance of these programs.

In recommending or implementing specific investment decisions through different accounts, programs and investment vehicles, including asset allocation services, the timing of the implementation of our advice may differ among the various accounts or investment vehicles. Differences among the accounts, programs and investment vehicles that impact this timing include, among others, whether the account is managed on a non-discretionary basis and whether a third party is involved in the implementation of the advice. Differences in timing may result in one client receiving better or worse investment performance than a client receiving similar advice through a different account, program or investment vehicle. The timing and sequencing of trades executed for discretionary accounts in these programs, as well as underlying funds, is influenced by many factors such as the size of an asset allocation shift, the related cash flows in and out of the underlying funds, market conditions and the potentially differing views of those managing underlying funds. Our investment platforms that manage accounts in these

programs may also manage accounts for a variety of clients, including private funds and other institutional clients. In these situations, we seek to provide a process that is designed to prevent an unfair advantage in the timing and sequencing of trades for all client accounts over time, though in any given trading sequence, one client account or group of client accounts may receive more or less favorable timing of trade execution.

Management of Long/Short Strategies

We also manage long/short strategies (long/short funds). Side-by-side management of such a fund and other accounts can create conflicts of interest as a result of differing investment strategies employed for the long/short fund, proprietary capital investments in such fund or performance-based fees paid by such fund, all of which are applicable to the long/short funds. We have policies and procedures that seek to address conflicts relating to trading practices of a long/short fund. We believe that our policies and procedures should seek to limit actual conflicts of interest. Such policies and procedures include, but are not limited to, those relating to: (i) personal trading; (ii) aggregation and allocation; (iii) short sales; and (iv) cross trading.

Client-Related Potential Conflicts

We provide advisory services to pension plans of state and local governments. The management of public monies that fund pension plans raises the potential for conflicts of interest to the extent we or our employees make political contributions to elected officials responsible directly or indirectly for those pension plans or otherwise capable of influencing the selection of us as the plan's investment adviser.

Investors in private funds managed by us include natural persons (or their personal trusts) that may be directors, executives or employees of (i) public companies in which such investment companies may invest ("Company Executives"), (ii) broker-dealers that provide research or brokerage services to such investment companies ("BD Executives"); or (iii) investment advisers of third-party investment funds ("Adviser Executives", and together with Company Executives and BD Executives, "Executives"). In addition, our investment personnel and senior management who support the private funds and have oversight responsibilities regarding conflicts of interest may invest in the private funds we manage. Permitting Executives and our other personnel to invest in these private funds may create the potential for conflicts of interest.

Management of Multiple Accounts

Actual or potential conflicts of interest may arise from the fact that we and our portfolio managers have day-to-day management responsibilities with respect to a specific client account in addition to other client accounts ("Other Accounts"). We have policies and procedures intended to mitigate or manage the conflicts of interest described below. Certain of these policies and procedures are described in prior sections of this Investment Adviser Disclosure Document. There is no guarantee that any such policies or procedures will detect each and every situation in which a conflict of interest arises.

We may receive higher compensation with respect to Other Accounts (including accounts which are private funds or have performance or higher fees paid to us, or in which one or more portfolio managers have direct or indirect personal interest in the receipt of such fees) than that received with respect to a specific client account. This may create a potential conflict of interest for us or our portfolio managers by providing an incentive to favor these Other Accounts when, for example, placing securities transactions. In addition, we could be viewed as having a conflict of interest to the extent that we or an affiliate has a proprietary investment in one or more Other Accounts, the portfolio managers have personal investments, directly or indirectly, in one or more Other Accounts or the Other Accounts are investment options in our or an affiliate's employee benefit plans.

Potential conflicts of interest may arise with both the aggregation and allocation of securities transactions and allocation of limited investment opportunities. Allocations of aggregated trades, particularly trade orders that were only partially completed due to limited availability and allocation of investment opportunities generally, could raise a potential conflict of interest, as we may have an incentive to allocate securities that are expected to increase in value to favored accounts. Initial public offerings, in particular, are frequently of very limited

availability. We may be perceived as causing accounts we manage to participate in an offering to increase our overall allocation of securities in that offering. A potential conflict of interest also may be perceived to arise if transactions in one account closely follow related transactions in a different account, such as when a purchase increases the value of securities previously purchased by another account or when a sale in one account lowers the sale price received in a sale by a second account. Because we manage accounts that engage in short sales of securities of the type in which many clients may invest, we could be seen as harming the performance of certain client accounts (i.e., those not engaging in short sale transactions) for the benefit of the accounts engaging in short sales if the short sales cause the market value of the securities to fall. Conversely, we could be seen as benefiting those accounts that may engage in short sales through the sale of securities held by other clients to the extent that such sales reduce the cost to cover the short positions.

From time to time, we and our affiliates will be trading in the same securities or be deemed to beneficially hold the same securities. Due to regulatory limits in various countries or issuer specific limits (e.g., poison pills) that restrict the amount that may be held of an issuer on an aggregate basis with our affiliates, we (and therefore our clients) may be limited or prevented from acquiring securities of an issuer that we may otherwise prefer to purchase. For example, many countries limit the amount of outstanding shares that may be held in a local bank by an organization. In these circumstances, we may be limited or prevented from purchasing additional shares of a bank if the purchase would put us over the regulatory limit when combined with the holdings of our affiliates even if our purchases alone would not be in excess of limit. We have procedures in place to monitor these potential conflicts and resolve them in a fair and equitable manner.

Employees of ours, including portfolio managers, may engage in personal trading, subject to our Code of Ethics. In addition to the general conflicts noted above, personal trading by employees may create apparent or actual conflicts to the extent that one or more employees personally benefit or appear to benefit from subsequent trading by clients in similar securities.

Because portfolio managers manage multiple client accounts, portfolio managers may not devote equal time and attention to the portfolio management of each client account.

Code of Ethics/Personal Trading Rules and Procedures

We and certain of our affiliates have adopted an “Investment Adviser Code of Ethics” (“Code”) designed to state standards of business conduct and to mitigate conflicts of interest for all our “Access Persons” as they perform their respective roles and responsibilities and when they engage in personal securities transactions. We and certain of our affiliates have adopted different versions of the Code for Investment Access Persons and for other Access Persons. Investment Access Persons are Access Persons who have access to our institutional client information, such as information about impending purchases or sales of portfolio securities for institutional clients’ accounts. All Access Persons are required to conduct all personal trades through designated broker-dealers unless an exception has been granted. Further, all Access Persons must complete an annual certification form regarding their personal securities activities and provide additional information about personal trading activities.

Under the Code, Investment Access Persons must pre-clear certain investments, are restricted with respect to the timing of certain transactions and are prohibited from making certain transactions. The Code also contains short swing profit prohibitions and trading black-out periods before and after client transactions applicable to all portfolio managers, and, in some cases, to research analysts. These prohibitions are subject to limited exceptions. Access Persons who are not Investment Access Persons also are prohibited from making certain transactions.

The Code contains specific provisions relating to mutual fund shares, including: a prohibition on direct or indirect market timing and, for Investment Access Persons, a 30-day holding period for Covered Mutual Funds subject to limited exceptions. Covered Mutual Funds are those funds for which we or an affiliate serves as an investment adviser or for which an affiliate serves as principal underwriter.

We will provide a copy of the Code to any client or prospective client upon request. Clients may obtain a copy by writing to us at the address set forth on the first page of this brochure or calling the phone number that appears on that page.

Insider Trading

We and our associated persons may, from time to time, come into possession of material, nonpublic information which, if disclosed, might affect an investor's decision to buy, sell or hold a security. The Code contains a summary of the "Insider Trading Policy" which prohibits the misuse of material nonpublic information by us and our associated persons. Those who possess material nonpublic information must not (a) use that information to obtain profits, mitigate losses or otherwise secure benefits for us, any of our affiliates or clients, themselves or others, (b) engage in transactions or make recommendations on the basis of that information, or (c) disclose that information to others. In addition, we have adopted procedures designed to restrict trading in an issuer's securities in situations where we or one of our Investment Access Persons possesses material nonpublic information regarding the issuer's securities. These prohibitions and restrictions on trading or sharing information may result in our not purchasing or selling securities for a client account or not fully communicating material investment ideas despite our view that a purchase, sale or communication would benefit client accounts. Losses could be incurred if we cannot close out a position. In certain situations where material nonpublic information is obtained, these procedures also allow for the creation of an "information wall" to contain information within a small group and avoid a firm-wide prohibition on trading or for operations purposes.

Persons who violate the Code, the Insider Trading Policy, SEC or FINRA rules, or our other policies and procedures may be subject to sanctions, including potential termination.

CONDITIONS FOR MANAGING ACCOUNTS

We generally require institutional clients to have a minimum account size of \$10,000,000 to receive discretionary investment advisory services. We may impose higher minimums for certain investment mandates from time to time. We also reserve the right to waive account minimums in our sole discretion. Factors we take into consideration in making a determination whether to waive an account minimum may include the number of accounts managed for a client, the nature of services rendered, any special requirements of the account(s) managed and the totality of the relationship between us and our affiliates and the client and/or its affiliates. We may also consider a client's specific needs and circumstances, and a client's future ability to reach our minimum account size by making supplemental contributions. We may also offer to waive an account minimum based on our capacity to manage assets in a particular strategy. Our ability to waive account minimums may result in similarly situated clients being offered different minimums to establish a separately managed account.

Most of the private funds we manage impose a minimum subscription amount of \$1,000,000. These private funds have broad discretion to waive investment minimums or lower minimum investment requirements, and we may provide a recommendation to the private fund or its manager member or general partner, each of which is an affiliate of ours, regarding such a waiver or lower minimum investment requirement.

Smaller minimum account sizes generally apply to participants in managed account programs. These minimums are described in more detail in each program sponsor's disclosure document. The program sponsor may allow us to waive account minimums in connection with these programs. Where we are provided with this discretion, we are able to apply the same consideration factors described above with respect to separate account management in determining whether to waive an account minimum.

We reserve the right to decline any account. We reserve the right to resign as investment adviser to any account, subject to the terms of the client contract, after initiation of the investment advisory relationship.

REVIEW OF ACCOUNTS

Each of our portfolio managers and other investment personnel is responsible for managing assigned accounts in accordance with their investment objectives and guidelines. There is no specific limit on the number of accounts that may be assigned to each professional. Factors that may cause the portfolio manager to initiate a portfolio review include, but are not limited to: changes in the investment strategy; changes in the client's objectives, guidelines or restrictions; significant price movements of portfolio securities or of the portfolio as a whole; changes in the prospects of a particular portfolio security; the need to invest incoming cash; and the need to raise cash from the portfolio.

Also, our Investment Risk Management Department monitors the risk profile of fixed income and equity mutual funds, private funds and representative institutional accounts (typically, the largest institutional account in a given strategy). This monitoring includes a periodic review of the portfolios' forward-looking downside risk versus their appropriate benchmark (or cash in the case of private funds) and individual contributors thereto. In the case of mutual funds and institutional accounts, the monitoring includes a daily review of the portfolios' derivatives trades and a monthly review of the drivers of the portfolios' performance and traditional risk measures. The Investment Risk Management Department also monitors wrap account strategies on a periodic basis based on the composition of accounts representative of the strategy.

At a minimum the complete account guidelines for mutual fund, private fund and institutional accounts are reviewed by the client's portfolio manager and a representative from the Investment Compliance Department once per year. During this review, the account guidelines determined by the client and any related investment parameters are discussed. Sponsors of wrap-fee programs are responsible for meeting with wrap-fee program clients at least once per year to discuss their investment objectives and guidelines.

In addition, we employ a series of pre- and post-trade controls and monitoring techniques through automated and manual procedures in an effort to ensure that portfolios are managed in accordance with client-specific guidelines or restrictions.

CLIENT COMMUNICATIONS

Servicing arrangements such as reporting may vary among clients. On a monthly or quarterly basis, we provide each of our institutional clients with a report that includes such information as: (1) current portfolio holdings, showing cost and market value; (2) a transaction summary listing all recent security purchases, sales and income earned, and (3) a report on portfolio performance compared to appropriate market indices (though market indices might not be used for reports sent to Ameriprise Financial and its affiliates.) We may also provide a monthly or quarterly report that includes portfolio manager commentary on sources of return within the portfolio and recent market conditions. Upon request, some of our institutional fixed income clients may also receive our proprietary risk ratings, which would be provided on a confidential basis for informational purposes and not for independent reliance by the client. In addition, client relationship managers and/or investment personnel generally will offer to meet with clients on an annual basis to review goals, objectives, holdings and portfolio performance unless the client requests more frequent meetings.

In the case of the Registered Funds, the portfolio managers generally report directly to the Board of each fund on an annual basis. This report typically covers performance, investment process and an analysis of results.

On a monthly or quarterly basis, we or a trustee typically provide our alternative investment clients with a periodic client statement that shows their account balances and net profit or loss for the month, or that summarizes the assets under management, certain cash flows and certain other items required by the underlying agreement or indenture. We may also provide a monthly or quarterly report that includes portfolio manager commentary on sources of return within the portfolio and recent market conditions.

In the case of Ameriprise Financial, its insurance company affiliates and other asset-liability management clients, we report on a periodic basis to the board or investment committees of the relevant entity. Boards, the investment committees and other representatives of the entity meet periodically to review and evaluate the preceding period's portfolio activity and to contemplate the next period's investment strategy.

With respect to managed account program clients, the program sponsor has primary responsibility for client contact and reporting. We will typically supply the sponsor with certain information necessary for the sponsor to provide regular reports directly to its clients in accordance with the requirements of the specific program.

INVESTMENT OR BROKERAGE DISCRETION

The accounts over which we exercise investment discretion are generally subject to investment restrictions and guidelines developed in consultation with clients. These restrictions and guidelines customarily impose limitations on the types of securities that may be purchased and also generally limit the percentage of account assets that may be invested in certain types of securities. Additional policies may be set by a client's board or investment committee. We generally are authorized to make the following determinations, consistent with each client's investment goals and policies, without client consultation or consent before a transaction is effected:

- Which securities or other investments to buy or sell;
- The total amount of securities or other investments to buy or sell;
- The broker or dealer through whom securities are bought or sold;
- The commission rates at which securities or other investment transactions for client accounts are effected; and
- The price at which securities or other investments are to be bought or sold, which may include dealer spreads or mark-ups and transactions costs.

However, from time to time, we may accept accounts for which we have discretionary authority to purchase securities for the account, but not to select broker-dealers for transactions. These are commonly known as "client directed brokerage relationships." We may also accept non-discretionary arrangements, such as providing a series of securities recommendations by periodically updating a model portfolio or where clients retain investment discretion with respect to transactions in the account. In these situations, our lack of investment discretion may cause the client to lose possible advantages that our discretionary clients may derive from our ability to act for those discretionary clients in a more timely fashion, such as the aggregation of orders for several clients as a single transaction.

We may act as investment manager to other clients (including funds) now or in the future and each account's investment restrictions and guidelines may differ. All investment decisions for an account are made in accordance with the investment restrictions and guidelines of that account. Investment decisions for each account are made with a view to achieving the account's investment objectives and after consideration of such factors as the account's current holdings, the current investment views of the particular portfolio manager, availability of cash for investment, and the size of the account's positions generally. In addition, we may apply certain proprietary risk management guidelines or other restrictions to the universe of accounts we manage in situations where we believe such actions will enhance our overall investment management services. Further, we may seek to include or maintain some of the accounts we manage in certain categories or "style boxes" published and monitored by third party rating and ranking organizations, which might cause us to manage the account in a way that meets the criteria for those categories or style boxes. These internal restrictions and style box categories are subject to change and may impose supplemental limitations and guidelines on the management of an account in addition to the guidelines provided to us by the applicable client.

Best Execution

As a fiduciary, we have an obligation to seek to obtain the best execution of client transactions under the circumstances of the particular transaction. We seek to satisfy this best execution obligation by creating the conditions under which best execution is most likely to occur, i.e., by following procedures calculated to achieve it. We believe that the trading process itself can be used to maximize the value of a client's portfolio. This approach requires that we adopt standardized procedures and practices that allow sufficient *flexibility* to allow different types of trades to be handled differently, while generally ensuring *consistency* among similar types of trades. Our trading procedures are also designed to address the conflicts of interest that arise as a result of managing multiple types of accounts, including client accounts, client accounts that pay us higher fees (i.e., performance fees) and accounts owned more than 25% by us or one of our affiliates ("Proprietary Accounts"). The term "Proprietary Accounts" does not include incubator accounts or pooled investment vehicles available for outside investment. Thus, incubator accounts and these other vehicles are not subject to certain restrictions imposed on Proprietary Accounts by our trading policies and procedures, some of which are described below.

We monitor compliance with our trading procedures on both a transactional and forensic basis and have formalized committee oversight of trading-related matters such as compliance, the use of client commissions to obtain research and brokerage services and overall best execution. For more detail regarding our use of client commission arrangements, please see the section below titled "Client Commission Practices, Policies and Procedures."

Trade Aggregation, Allocation and Partial Fills on a Trading Desk

Generally, trading orders are processed and executed in the order received by an equity trading desk or a fixed income sector team. As mentioned above, we provide investment advisory services to many different types of accounts, including client and affiliate accounts. Certain portfolio management decisions may affect more than one account, including both client accounts and accounts owned or controlled by us or one of our affiliates. Situations arise in which a portfolio management team decides to take an investment action with respect to all of the accounts the team manages. Different portfolio management teams may own similar securities and independently decide to take similar investment actions. Either of these may result in multiple trading orders relating to the same security but for different accounts. In these cases, we may combine or aggregate purchase or sale orders for more than one account when we believe such aggregation is consistent with our duty to seek best execution. This includes aggregating orders involving both client and affiliated accounts. Such aggregation may be able to reduce commission costs or market impact on a per-unit and per-dollar basis, though aggregation may have the opposite effect. In addition, when a security is sold from a client account for reasons particular to that account (e.g., need to raise cash, client-specific restriction), a client may not get the benefits of aggregation that it received when the security was purchased in an aggregated transaction. The decision to aggregate is made in situations where: it does not intentionally favor any account over another; it does not systematically advantage or disadvantage any account; we do not receive any additional compensation or remuneration solely as the result of the aggregation; and each participating account will receive the average unit price and will share pro-rata in the transaction costs. If there is an open order and a subsequent similar order for the same security for a different account is received by an equity trading desk or a fixed income sector team, such subsequent order will generally be aggregated with any remainder of the original order consistent with the considerations set forth above. Aggregation of orders may result in longer time periods to fill an order with respect to a particular client account. This is more pronounced when smaller orders for accounts are combined with larger orders of other accounts.

Where an equity analyst has portfolio management responsibilities, they are encouraged to communicate their intent to place an order to all portfolio managers on their team or team(s) before or shortly after communicating the order to the equity trading desk. Generally, subsequent orders in that same security are processed and executed in the order received by the equity trading desk. However, orders involving the same security received by the trading desk from other portfolio managers on the analyst's team(s) may be aggregated with the analyst's order if appropriate under the circumstances. In these situations, the orders will be aggregated and allocated as if all the orders were received at the same time, i.e., receiving the same average price and pro-rata transaction costs,

as opposed to the general practice describe above of aggregating only the remainder of an existing order with a new order.

A determination may be made not to aggregate orders for a number of reasons. These reasons may include: the account's governing documents do not permit aggregation; a client has directed that trades be executed through a specific broker-dealer; aggregation is impractical because of specific trade directions received from the portfolio manager, e.g., a limit order; the order involves a different trading strategy, e.g., it is part of large basket, program or index trade; or if we otherwise determine that aggregation is not consistent with seeking best execution. For example, as a result of the structure of wrap-fee programs, transactions for wrap-fee arrangements sponsored by third parties are usually executed with the third party broker-dealer supporting the wrap-fee arrangement. Trading priorities among these wrap program sponsors are generally handled with a rotational approach by our New York trading desk which typically provides sponsors with aggregated orders within each particular wrap program. Wrap-fee orders on our New York trading desk are placed concurrently with orders for other client accounts traded on that desk but are generally separate from orders for other client accounts that are buying and selling the same securities. In this respect, orders for wrap-fee accounts placed with the applicable designated broker-dealer for a wrap-fee program are not aggregated with any other orders for the same securities other than for that wrap-fee program. Timing delays or other operational factors associated with the implementation of trades by these third-party broker-dealers may result in wrap-fee clients receiving materially different prices relative to other wrap-fee clients or our other client accounts.

Certain investment teams for Seligman-branded strategies may review each of their respective accounts separately and non-concurrent with other accounts managed by the team. As a result, transactions for such clients may not be executed in an aggregated order, and therefore a client may receive different prices which may be more or less than the price a client would have received had accounts been reviewed collectively and orders aggregated. This may create performance dispersions within accounts with the same or similar investment mandate. We believe that over time such an approach does not unfairly disadvantage any client versus another.

When it has been determined that multiple equity orders will not be aggregated, we have adopted procedures that seek to ensure that client account orders are executed before Proprietary Account orders. These procedures provide that client account equity orders with no trading limitations or with trading limitations that may be satisfied using "step-outs" (described in the section below titled "Selection of Broker-Dealers") shall be executed first, client account equity orders with trading limitations that cannot be satisfied with step-outs, such as certain client directed brokerage, shall be executed next; Proprietary Accounts shall be executed last.

From time to time an aggregated order involving multiple accounts does not receive sufficient securities to fill all of the accounts. If an aggregated order cannot be filled in one day (a "partial fill"), the executed portion of the order is automatically allocated to the participating accounts pro-rata on the basis of order size, subject to certain exceptions. Partial fills that include both client accounts and Proprietary Accounts will be allocated to the client accounts first. Only if the orders for client accounts are completely filled will the remainder of the partial fill be allocated pro-rata to the Proprietary Accounts.

Our fixed income portfolio management teams in Minneapolis and Los Angeles may share research information regarding leveraged bank loans, but we operate separate and independent trading desks in these locations for the purpose of purchasing and selling this type of instrument. This separation and independence in the trading function is deemed by us to be more efficient due to the practical difficulties associated with coordinating activities of separate physical "boutique" offices that operate independently in most respects and which are separated by time zones. In addition, it is likely that each office will receive more favorable allocations of new issues if each office places such orders independently given the varying size of such orders between the offices. Further, the opportunity to aggregate such trades across offices is limited by virtue of the different vehicles managed in each office and different investment restrictions applicable to those vehicles, as well as the timing differences associated with the implementation of investment decisions. Because of these difficulties and the

perceived limited benefit (if any) of aggregating, we do not aggregate orders for bank loans across these offices. As a result, accounts being managed by each sector team may purchase and sell the same instrument in the secondary market on the same day at different times and at different prices. There is also the potential for a particular account or group of accounts to forego an opportunity or to receive a different allocation (either larger or smaller) than might otherwise be obtained if we were to aggregate trades in bank loans across the portfolio management teams. Notwithstanding the fact that we do not aggregate orders in bank loans across portfolio management teams, we believe we are able to operate within this structure in a manner that is consistent with our duty to seek best execution. These portfolio management teams may also share research information regarding high yield fixed income securities. While most of the trading for high yield fixed income securities for both teams occurs in Minneapolis, the Los Angeles fixed income portfolio management team may on rare occasion execute a trade for such a security without prior involvement of the Minneapolis team.

Allocations of Investments in Initial Public Offerings (“IPO”)

Depending upon the investment objectives, strategies and restrictions applicable to an account, portfolio management teams may invest client assets in securities offered in an initial public offering (“IPO”). The availability of IPO shares is generally limited; this is particularly the case with “hot issues” where the demand for participation in such transactions far exceeds the supply of shares that are available. This scenario typically results in higher values when the offering first begins to be publicly traded. The allocation of IPO shares to interested investors, such as to us for allocation to our clients, is made by the underwriter of the transaction. These allocations are based on many factors, including the investors’ past business with the underwriter. While our ability to receive IPO allocations for our clients may be partially based on the trading activity of all accounts managed by us, many client accounts will not receive allocations of IPO shares.

Assuming that an account is eligible to invest in IPOs pursuant to its investment objectives, strategies and restrictions, the decision as to whether the account will participate in a particular transaction is determined through the exercise of investment discretion by the portfolio management team responsible for managing the account. Unless there is an appropriate exception, for example where an account that does not have sufficient cash to participate in the investment, if one account receives an allocation of IPO shares, all other accounts with the same investment objective and strategies that are managed by the same portfolio management team will ordinarily participate in the investment on a pro-rata basis based on relative account size.

To the extent our assets or the assets of an affiliate are invested in a separately managed account or private pooled vehicle, such as a private fund, the eligibility to participate in IPOs, and any pro-rata allocation, shall be based only on the amount of eligible third party assets. These additional eligibility and allocation considerations do not apply to situations where we or an affiliate invest in a RiverSource Fund. The Registered Funds may participate in IPOs as described above. “Incubator accounts,” in which our assets or assets of an affiliate are invested for the purpose of creating a track record, are not permitted to invest in IPOs.

Certain investment objectives and strategies tend to be more consistent with investments in IPOs. For example, because most IPO issuers are small-sized companies (based on their market capitalization) such investments are typically more consistent with the investment objectives of accounts focusing on these capitalization ranges. Similarly, investment objectives and strategies pursuing a growth investment strategy or a focus on technology companies tend to be more consistent with investments in IPOs. Moreover, accounts that have short-term trading strategies, such as actively managed private funds, may also find investments in IPOs to be relatively more attractive than accounts that have “buy and hold” investment strategies, which is the case with many mutual funds. This is especially true with hot issues where a portfolio management team managing accounts with short-term investment strategies may be interested in “flipping” such an IPO by selling it soon after it begins to be publicly traded. Certain teams are responsible for managing mutual funds, institutional accounts and private funds. The private funds managed by these teams may utilize short-term investment strategies, while the other accounts managed by the teams typically do not and such other accounts also tend to have a mid to large capitalization focus. For this reason, one or more of the private funds managed by these teams will tend to

participate in more IPOs, including “flipped” IPOs, than the mutual funds and other accounts managed by these teams. In certain market conditions, accounts that invest significantly in IPOs can have materially different performance than accounts that do not. The impact of IPOs on account performance generally decreases as the amount of assets in an account increases.

In the case of a limited supply, there can be no assurance of equal treatment among all clients with respect to a particular IPO. For example, clients with smaller accounts may not participate in a particular IPO. Additionally, wrap-fee accounts will not participate in IPOs. Clients for whom we have not or cannot ascertain their eligibility to participate in IPOs under the rules of FINRA will not participate in any IPOs that are restricted by such rules.

We have adopted policies and procedures relating to the allocation of IPO investment opportunities. Allocations are monitored on a case-by-case basis and over time to ensure compliance with our allocation policies.

Allocation of Fixed Income Trades

For allocation of fixed income securities, a fixed income sector team will generally allocate to all participating accounts with similar strategies and guidelines on a pro-rata basis, or to “true up” the holdings of accounts with similar investment mandates. To the extent that similarly managed accounts have different holdings of a security, trades will be allocated based on one or more documented specified methodologies to minimize the difference from the target weighting in the security. Examples of specified methodologies include allocations based on the duration of the accounts, contribution to duration of the accounts, percentage of the net asset value of the accounts or exposure of the accounts to the yield curve. The sector team may also consider other factors, including the investment objectives and policies and size of the account, the liquidity and size of the issue, the amount of securities actually purchased or sold, and the existence of similar securities already in the account.

Management of Multiple Accounts and Multiple Strategies

Because we manage multiple accounts, from time to time portfolio management teams may make differing investment decisions related to the same security. To mitigate these conflicts between accounts, we have adopted a number of policies. The principles governing these policies prohibit an equity portfolio management team from taking an inconsistent view of the same security for inappropriate purposes (e.g., to seek a profitable trade for one account at the detriment of another) and prohibit front-running and the use of information about one account’s activities (e.g., an upcoming long sale) to benefit another account. Subject to the exceptions noted below or for other good cause as may be approved on a one-off basis, an equity portfolio management team may not sell a security for an account that the account does not own or short a security using a synthetic or derivative instrument (i.e., a “short position”) if that team owns the same security or a long position in that security using a synthetic or derivative instrument (i.e., a “long position”) in another portfolio. Similarly, an equity portfolio management team may not enter into a long position in a security if that team has a short position in that security in another portfolio. In addition, an equity portfolio management team may not open or maintain positions in different portfolios that perform inversely based on the performance of the same underlying security in another portfolio managed by that team. This does not include a convertible security and the security into which the convertible security may be converted.

A general exception to the foregoing rules allows an equity portfolio management team to enter into a long or short position in a broad-based total return swap, a broad-based exchange traded fund (ETF) or a security whose value is derived from a broad based third-party index, even though the same team or another team holds a short or long position in the same security, or a position in another instrument or security that performs inversely to the security, in the same or another portfolio. For purposes of this exception, the term “broad based” means 30 or more constituents. Another exception to the foregoing rules has been made for the Disciplined Equity & Asset Allocation Team (our Cambridge Office). In using their quantitative management processes, this portfolio management team is permitted to sell a security short if another account the team manages owns the same security, as long as the security involved is not a small- or micro-cap security. Other exceptions allow an equity portfolio management team to hold long and short positions in the same security if the long position represents a

neutral or underweight position relative to the benchmark since such long positions reflect an effort (relative to a benchmark) to neutralize exposure to the security or outperform by reducing exposure to the security. An equity portfolio management team may also hold long and short positions in the same security when executing a “pairs trade” (which expresses a negative view of one security relative to another, but not necessarily a negative view of the security itself) and a “box trade” (i.e., the same account holds the same security long and short resulting in a flat position based on the view that the position may be a good short in the future and that it will be difficult to borrow in the future because of demand.) Also, nothing in the procedures described above prevents a portfolio management team from selling a covered call option or buying a put for a portfolio to reduce a long exposure to the underlying security in that same portfolio.

Our fixed-income procedures do not specifically prohibit a portfolio management team from holding long and short positions in the same security as doing so is often necessary to properly manage multiple accounts (e.g., to manage interest rate or currency exposure of a particular account). However, our procedures do prohibit our fixed income sector managers from taking an inconsistent view of the same security for inappropriate purposes (e.g., to seek a profitable trade for one account at the detriment of another). In addition, our fixed income procedures specifically prohibit front-running and the use of information about one account’s activities (e.g., an upcoming long sale) to benefit another account.

Trade Priority for Certain Equity Trades

Certain of our policies related to conflicts between client accounts address the priority of a trade order. For example, a sale of a long security has priority over the short sale of the same security unless the portfolio management team specifically decides to cancel or otherwise stop the trade for the long position or the trade for the long position is subject to a limit that is away from the current market or best execution of both trades can be obtained at the same broker-dealer, in which case the broker-dealer may execute both trades at the same time. Similarly, a common stock trade has priority over a trade of a security that can be converted into that common stock on the same side. However, if best execution of both trades can be obtained at the same broker, the broker may execute both trades at the same time. Also, listed convertible securities that trade on an exchange under a ticker symbol that is unique to the underlying security may be traded at the same time as the underlying security. Also, a trade in an underlying security has priority over an option trade in the same direction in the same security.

Error Correction

On occasion, a mistake may occur in the execution of a trade. As a fiduciary, we owe clients duties of loyalty and trust, and as such must treat errors caused by us in a fair and equitable manner. Errors may occur for a number of reasons, including human input error, systems error, communications error or incorrect application or understanding of a guideline or restriction. Examples of errors include, but are not limited to the following: buying securities not authorized for a client’s account; buying or selling incorrect types of securities or instruments; buying or selling incorrect amounts of securities; buying or selling in violation of one of our policies; failure to follow specific client directives or portfolio manager instructions to buy, sell or hold securities; and incorrect allocation of trades to or between various accounts. In correcting trade errors caused by us, we do not: make the client account absorb the financial loss due to the trade error (no reimbursement is made for trade errors resulting in a financial loss of less than \$100); use client commission arrangements or directed trades to fix the error; or attempt to fix the error using another client account. To the extent correction of an error caused by us has resulted in a loss to the client’s account of \$100 or more, we reimburse the account. To the extent correction of the error results in a gain to the client’s account, we allow the client to keep the benefit, unless the gain offsets a loss in connection with a single transaction or occurrence or a series of related transactions, in which case any such gains and losses are netted. Such netting may result in lowering the amount we must reimburse the client account. Managed account program clients should be aware that the program sponsor may require that errors in client accounts be corrected in accordance with the sponsor’s error correction policies and procedures. Those policies and procedures may be different from sponsor to sponsor and they may be materially different than our policies and procedures described above. For example, some sponsors may require that gains resulting from an error be given to charity or they may require that gains and losses caused by us are netted over a period of time in

a separate “error account” maintained by the sponsor. Managed account program clients should contact their program sponsor if they wish to obtain more information about the error correction policies and procedures that apply to their account.

Selection of Brokers-Dealers

We select broker-dealers to execute client transactions based on a number of factors. As a general matter, broker-dealers are subjected to an initial approval process. This approval process involves the review of financial and related quantitative information concerning a broker-dealer and then the consideration of such qualitative factors as are relevant to the determination that the broker-dealer can provide best execution. Such factors may include, but are not limited to: volume of securities traded of the type to be traded; instruments regularly offered by the firm; research capabilities of the firm; general reputation of the firm; trading desk opinion of the firm; and regulatory history of the firm.

With respect to a specific order, we seek to choose the broker-dealer most capable of providing the brokerage services necessary in seeking to obtain the best available price and most favorable execution. We will consider the particular characteristics of a security to be traded including relevant market factors. We will assess the intent of the portfolio manager and the level of urgency attached to the transaction. We will also consider other factors such as: ability to minimize trading costs; level of trading expertise; infrastructure; ability to provide information or services; financial condition; confidentiality provided by broker-dealer; competitiveness of commission rates; evaluations of execution quality; promptness of execution; past history; ability to prospect for and find liquidity; difficulty of trade and security’s trading characteristics; size of order; liquidity of market; block trading capabilities; quality of settlements; specialized expertise; overall responsiveness; and willingness to commit capital. All of these considerations (and others as relevant) guide a trader in selecting the appropriate venue (e.g., an Electronic Communications Network (“ECN”) or Alternative Trading System (“ATS”), a traditional broker, a crossing network, etc.) in which to place an order and the proper tactics with which to trade.

As discussed in more detail below, in selecting a broker-dealer to execute equity trades we may also consider research or brokerage services provided by the broker-dealer, consistent with the requirements of Section 28(e) of the Securities Exchange Act of 1934 and related interpretative guidance. Such research is considered by the Fixed Income Department when determining which broker-dealers to include on the approved broker-dealer list, though it is not considered when executing specific fixed income trades. In selecting a broker-dealer we may also consider specific direction from the portfolio managers who may request that a specific broker-dealer who provides brokerage and research services is used. In no case do we execute the trade with the requested broker-dealer if we determine that doing so would not be consistent with the obligation to seek best execution. More information on our receipt of brokerage and research services from broker-dealers is contained in the section “Client Commission Practices, Policies and Procedures” below.

Another factor we may consider in selecting broker-dealers is when a client directs us in writing to execute a portion of the client’s equity trades through a particular broker-dealer. Typically, the client has an arrangement with such broker-dealer which results in the client receiving some benefit from the broker-dealer in exchange for the directed brokerage. Clients should keep in mind the following potential risks associated with directed brokerage:

- the direction may result in higher commissions, greater spreads or less favorable net prices than would be the case if we selected the broker-dealers;
- the direction may result in trades for the client’s account not being aggregated with similar trades for other accounts and thus not eligible for the benefits that accrue to such aggregation of orders;
- as a result of not being aggregated, client transactions will generally be executed after accounts whose trades are aggregated and may receive less favorable prices;

- there is a possibility of increased credit and/or settlement risk if the broker-dealers the client has selected are not otherwise on our approved list; and
- because of the direction the client's account may not generate returns equal to those of other accounts which do not direct brokerage.

In the case of managed account programs that are structured as bundled or wrap fee arrangements, we may have discretion to select broker-dealers other than the program sponsors when necessary to fulfill our duty to seek best execution of transactions for our clients' accounts. However, brokerage commissions and other charges for transactions not effected through the sponsor or its broker-dealer affiliate may be charged to the client, whereas the wrap fee covers the cost of brokerage commissions and other transaction fees on transactions effected through the wrap fee program sponsors. For this reason, most transactions for such clients will be effected through the wrap fee program sponsors.

We are not in a position to negotiate commission rates with the program sponsors on behalf of wrap clients. A client who participates in the wrap fee arrangement should consider that, depending on the level of the wrap fee charged by the wrap fee program sponsor, the amount of portfolio activity in the client's account, the value of the custodial and other services that are provided under the arrangement, and other factors, the wrap fee may exceed the aggregate cost of such services if they were to be provided separately.

Our equity trading procedures also permit the use of "step-outs" in aggregated equity transactions to accommodate certain wrap fee account and other client directed brokerage. A step-out generally involves a trader's direction that the executing broker-dealer allocate (or "step out") all or part of an equity trade to another broker-dealer for clearance and settlement. The step-out broker confirms the portion of the equity trade it clears and settles while the step-in broker confirms the portion it clears and settles. Step-outs may assist us in seeking best execution by allowing us to aggregate equity trades with one broker-dealer involving client accounts that have directed us to execute through different broker-dealers.

Under a step-out arrangement, clients may be charged lower or no transaction fees by the broker-dealer because clients have already paid for brokerage under a separate fee arrangement. If step-outs are used, accounts with special trading instructions due to client directions or guidelines will be traded with other accounts. If step-outs cannot be used, accounts with special trading instructions will be traded after the other accounts and may not be aggregated for execution purposes with orders for the same securities for other accounts managed by us. Under these circumstances, directed accounts may receive different execution times and different prices than trades for other accounts that are executed at other broker-dealers on an aggregated basis.

Under no circumstances do we consider the marketing efforts of broker-dealers on our behalf or on behalf of the funds for which we serve as investment adviser in selecting broker-dealers to execute trades. Such marketing efforts include the sales of mutual funds we advise, the inclusion of our products on a broker-dealer's wrap program platform (other than to the extent such program requires us to trade with such broker-dealer), and referrals of clients or prospects. However, many broker-dealers that effect securities transactions for our clients will have a relationship with us or our affiliates to distribute shares of such funds or other investment products managed by us or will act as sponsor of a wrap-fee program for which we act as investment adviser.

On occasion, a broker-dealer we utilize for execution services may introduce us to potential clients or investors in the private funds we manage. Particularly in the case of the private funds we manage, these introductions may take place during capital market introduction events sponsored by the broker-dealer. While participation in these events would benefit us if we are able to attract new business, we do not give consideration to these introductions in selecting broker-dealers to execute transactions for our advisory clients. However, the private funds we manage (or their general partner, our wholly-owned affiliate) may take into account a broker-dealer's capital markets introduction services when selecting and retaining a broker-dealer as the funds' designated prime broker.

Client Commission Practices, Policies and Procedures

Congress adopted Section 28(e) of the Securities Exchange Act of 1934 that, along with related SEC interpretations, provides a “safe harbor” for investment advisers to obtain research used in investment decision-making and brokerage services with client commissions. We have adopted policies and procedures designed to ensure that the use of client commissions falls within the safe harbor while permitting client accounts to benefit from our investment professionals’ use of other firms’ research and related investment decision-making tools.

Broker-dealers typically provide a bundle of services including research and execution of transactions. The research provided can be either proprietary (created and provided by the broker-dealer, including tangible research products as well as access to analysts and traders) or third party (created by a third party but provided by the broker-dealer). We use broker-dealers who provide both types of research products and services, as well as brokerage products and services, in exchange for commissions generated by transactions in the client accounts, also known as “soft dollars” or client commission practices.

The receipt of research and brokerage products and services in exchange for client commissions allows us, at no cost to us, to supplement our own research and analysis activities, by receiving the views and information of individuals and research staffs of other securities firms, and by gaining access to specialized expertise on individual companies, industries, areas of the economy, market factors and specialized tools to facilitate trading strategies.

Research and brokerage products and services acquired with client commissions may include independent consultations with industry experts or company employees, reports on the economy, industries, sectors and individual companies or issuers; statistical information; accounting and tax law interpretations; political analyses; reports on legal developments affecting portfolio securities; information on technical market actions; credit analyses; on-line quotation systems; risk measurement; analyses of corporate responsibility issues; on-line news services; financial and market database services; dedicated lines providing direct dial-up service between our trading desk and the trading desk at a broker-dealer; and trading software that provides algorithmic or automated trading capabilities.

Some broker-dealers with whom our Fixed Income Department executes trades provide the Fixed Income Department with proprietary research products and services, though the Fixed Income Department does not put in place any client commission arrangements with such broker-dealers. However, such research is considered by the Fixed Income Department when determining which broker-dealers to include on the approved broker-dealer list. It is our policy not to execute a fixed income trade with a broker-dealer at a higher bid/offer than that provided by another broker-dealer in consideration of the value of research products and services received by the Fixed Income Department.

We may also receive proprietary research products and services from derivatives counterparties with which we have not established a client commission arrangement, similar to the approach taken with fixed income brokers. In these situations, we may take the research into account in determining whether to add the derivatives counterparty to our approved list, but we do not consider the value of the research products and services provided on a trade-by-trade basis.

The use of client commissions for research and brokerage services inherently involves conflicts of interest, which include:

- Using client commissions for research may affect our ability to seek best execution. Sometimes we may compensate a broker-dealer for research or brokerage products or services by paying a commission in excess of what another broker-dealer might charge. It is not always possible to place a dollar value on special execution services. Likewise, research provided by executing broker-dealers may or may not have a specific dollar value attached to it by the party creating the research. Accordingly, broker-dealers we

select may be paid commissions higher than those obtainable from other broker-dealers for effecting similar transactions if we determine in good faith that such amounts are reasonable in relation to the value of the research and brokerage products and services provided by those broker-dealers. We conduct surveys periodically to assess the value of research services to our investment professionals. We also conduct periodic reviews of equity execution quality, which include regular reviews from a third party evaluator in order to gauge the effectiveness of our current procedures in seeking best execution for client accounts.

- The use of client commissions to obtain research may create an incentive to effect an unnecessary amount of trades in order to generate commissions (“churning”). Our equity trading group, which manages to informal, non-binding commission targets, is generally separate from research and portfolio management. This helps to reduce incentives for a portfolio manager to churn a particular account to generate commissions. In addition, our client commission arrangements are administered by the Commission Practices Team, (“the Team”) which is independent from both traders and research users and can reduce commission targets on its own initiative when circumstances warrant. Further, our Compliance Department periodically monitors portfolio turnover to help deter churning.
- Research acquired with client commissions may be shared across multiple accounts. One client’s commissions may not be generated in the same proportion as its usage of a shared service. Not all client commission services are necessarily used exclusively in connection with the accounts that pay the commissions to the broker-dealer providing the services. Efforts are made to allocate the costs of group-wide research in proportion to each account’s assets under management to the extent feasible. Also, analysts and portfolio managers in our Equity and Fixed Income Departments may share investment ideas and strategies, some of which may be informed by research paid for with commissions generated only by equity accounts. We believe that, in the aggregate and over time, the research and brokerage products and services we receive benefit clients and assist us in fulfilling our overall duty to our clients.
- Some of our clients have entered into commission recapture arrangements or have otherwise limited our discretion with respect to their commissions, and we may, in our discretion, honor such requests. Because services acquired with client commissions may be used across various of our client accounts, commissions generated by transactions for clients who have not imposed any such limits may be used to acquire research or brokerage products and services that also benefit clients with these limitations.
- Client commissions can be used to obtain products or services that are used for both investment decision-making and non-investment decision making purposes (so called “mixed-use” items). For example, broker-dealers may provide performance evaluation services which may be used for both investment decision-making and marketing purposes. If the product or service is a “mixed-use” item, we use client commissions to obtain the investment decision-making portion and pay cash, or “hard dollars,” for the non-investment decision-making portion. Determining how much of the mixed-use items must be paid for with hard dollars represents a conflict of interest because we have a financial incentive to allocate a greater proportion of the cost of mixed-use items to client commissions. Although the allocation between client commissions and hard dollars is not always capable of precise calculation, we make a good faith effort to allocate these items reasonably.

We evaluate proprietary research through a periodic broker-dealer evaluation survey (“Broker Vote”) completed by equity portfolio managers and analysts. Based on the results of the Broker Vote and an amount of commissions determined to be reasonable by the managing equity traders, the Team sets internal, non-binding targets for the amount of proprietary research we expect to receive in a given time period, with top-ranked brokers targeted for a greater proportion of available commissions. Results of the Broker Vote, including certain details regarding the votes a broker-dealer received and the broker-dealer’s ranking, are provided to all broker-dealers

included in the Broker Vote. The Broker Vote process is reviewed periodically to help provide for fair and accurate evaluations.

More specialized proprietary research may be obtained by equity portfolio managers by directing commissions to specific broker-dealers. Before being allowed to direct commissions, portfolio managers are required to provide, among other things (1) a description of the research to be received; (2) a description of how the research was or will be used and (3) how value was determined. Requests to direct commissions may also be submitted by portfolio management teams, subject to approval of the responsible portfolio manager. The Team reviews all portfolio manager directed commissions.

Generally, the commission targets established through the Broker Vote and the direction of commissions by portfolio managers to specific broker-dealers are fulfilled by executing trades directly with the research-producing broker-dealer. However, our managing traders may choose to execute trades through a separate broker-dealer, who subsequently makes payment to the research-producing broker-dealer at our direction, retaining a portion of the commissions for execution. We determine the amount of the payments through the Broker Vote or portfolio manager directed commission process described above. This alternate compensation method, which we call “Broker Consolidation”, is essentially a hybrid between the traditional methods of compensating broker-dealers for both proprietary and third party research and brokerage services. Broker Consolidation allows us to more selectively obtain research from one broker-dealer while seeking the execution services of another, preferred execution broker-dealer. Like proprietary research arrangements, Broker Consolidation arrangements do not obligate us to generate a specified level of commissions with the executing broker-dealers.

Third party research services may be identified by investment professionals (e.g., portfolio managers or analysts) to assist their investment decision-making and benefit their client accounts. Third party client commission research service requests require completion of a form that provides, among other things, (1) which investment management areas will benefit from the service; (2) the percentage of assets impacted by the service; (3) the identification of less expensive alternatives; and (4) what services, if any, can be canceled by adding the proposed service. The Team reviews whether the research and its use falls within the safe harbor of Section 28(e) and undertakes to understand the cost and value of the research. The Commission Practices Committee is tasked with responsibility for evaluating new material requests with respect to potential value and determining whether the research and its intended use falls within the safe harbor of Section 28(e). Once approved and used, research services are re-evaluated by investment professionals on an ongoing basis.

We have established relationships with specific broker-dealers to acquire third party research with client commissions. Guidelines used to evaluate such broker-dealers include: (1) approval by a managing trader to confirm that the broker-dealer has good trading capabilities, including the ability to provide best execution and back office support; (2) consideration of whether the total number of eligible broker-dealer relationships provides adequate trading alternatives, but remains administratively manageable; (3) evidence that each negotiated ratio is competitive; (4) evidence that each broker-dealer is well-versed in regulatory compliance issues involving client commission practices and provides quality customer service, including accurate reconciliation, knowledgeable resources and timely responses to requests; and (5) evidence that the broker-dealer has an effective working relationship with traders and other investment personnel. The Team reviews these criteria on a periodic basis. We may, from time to time, step out all or a portion of a trade to a broker-dealer in connection with a third party client commission arrangement.

Broker-dealers that provide research via third party or Broker Consolidation arrangements frequently maintain accounts on our behalf to hold the portion of commission dollars intended to facilitate future payment for research and brokerage products and services. Those accounts may, at any given time, have significant balances. In any given calendar year, an account’s balance may “carryover” to be used for research provided by the broker-dealer in subsequent years. Thus, a portion of a particular client’s commissions may accumulate and not specifically be used for research or brokerage products or services until after a client’s relationship with us terminates and new

clients may benefit from current or past clients' commissions in this manner. Further, in the event of a bankruptcy or liquidation of a broker-dealer with whom we have such arrangements, we may not be able to access or recover balances in our accounts with the broker-dealer.

ADDITIONAL RISKS

The following risk descriptions are designed to help clients anticipate some of the challenges and risks associated with the asset management industry today. Clients should speak with their consultants or other financial advisors for more information regarding these and other risks associated with making an investment. When we provide investment management services to a client, we are serving as an investment manager only with respect to those assets we manage and not with respect to the client's other assets or with an eye towards the client's overall financial situation.

No Guarantee of Performance

All investments involve risk (the amount of which may vary significantly), investment performance can never be predicted or guaranteed, even when employing very conservative strategies such as those employed by money market mutual funds or other accounts that seek preservation of capital. The market value of client assets will fluctuate due to market conditions and other factors, such as liquidity and volatility. The assumptions associated with certain investment strategies that are derived and tested over longer periods (e.g., quantitative strategies) may not be meaningful, and such strategies may demonstrate relative weakness, during periods of unprecedented market conditions, since, by definition, those conditions may not be reflected in any historical data or research conducted to create the strategies.

Implementation Risk

Disorderly market conditions or periods of market stress may make it difficult or impossible for us to pursue an investment strategy or objective. During these periods, it may be difficult or impossible to buy or sell investments at certain prices or at all. Moreover, volatility or events associated with markets, sectors or issuers may make it difficult to implement certain policies and procedures designed to ensure equal treatment among client accounts. For example, while our trading procedures are designed to ensure equal treatment among all clients, volatility on any given day may cause clients to receive materially different prices on the same securities. This may create performance dispersions among accounts with the same or similar investment mandate.

Strategy-Specific Risks

Clients should also consider risks associated with the investment mandate you have engaged us to implement. Each client should consider those risks in its decision to engage us and in connection with the client's overall investment program. A consultant or financial advisor engaged to evaluate a client's overall investment program can assist clients with an evaluation of risks associated with investment strategies.

Counterparty Arrangements

We enter into many counterparty arrangements in connection with our asset management business. These arrangements support our trading, custody and investment activities, and some of the counterparties we use have relationships with our affiliates as well. Reliable counterparty arrangements and the ability to assess counterparty risks have become a critical part of our day-to-day operations and we endeavor to manage these risks in accordance with our fiduciary duty to clients. While we seek to manage these risks, exposure to counterparty failures, including bankruptcies and defaults, is sometimes unavoidable and can result in sudden and unanticipated shocks to our operations or investments resulting from the inability to carry out transactions or satisfy liquidity demands.

Resource Constraints

Unfavorable market conditions and budget constraints may impact our ability to retain or attract talented employees or allocate resources as we otherwise would during periods of economic stability. Moreover, the

inherent conflict of interest associated with certain arrangements (e.g., the receipt of research in exchange for client commissions) is heightened when our business is under pressure to reduce overhead expenses in response to market conditions that impact our revenues. While we may make resource allocations designed to streamline or bring more efficiency to our operations during periods of economic stress, we will not compromise our fiduciary standards or compliance with our policies and procedures that are reasonably designed to prevent violations.

Regulatory Uncertainty

Recent market events are likely to result in significant regulatory reform, which could impact the way we operate our business or pursue client objectives. For example, from September 19 – October 3, 2008, due to market events, the US Securities and Exchange Commission took temporary emergency action to prohibit short selling in over 800 financial services companies. Similar action was taken by regulators in other countries. This short sale ban imposed temporary limitations on our ability to fully implement certain investment strategies. There is no guarantee that similar limitations or other regulatory constraints will not be imposed in the future.

Segregated Account Advantages

Investors in pooled vehicles may wish to consider the different levels of liquidity and transparency provided to segregated account owners pursuing the same investment strategy as a pooled vehicle. Greater visibility and access to underlying holdings could allow a segregated account holder to implement strategies (e.g., hedging techniques) that could prove disadvantageous to pooled fund vehicles or their investors. It is our current policy to seek representations from segregated account clients indicating that they are establishing and will be maintaining their accounts solely for the purpose of investing and not with a view to effecting securities transactions based upon such information or providing such information to another party.

INFORMATION REGARDING REGULATORY, GOVERNMENTAL AGENCY AND LITIGATION MATTERS

A description of certain regulatory, governmental agency and litigation matters is provided below. Where required, we provide disclosure regarding such matters in Part 1 of its Form ADV.

Regulatory Matters - Settlement Agreements Relating to Market Timing Activities. In November and December 2005, without admitting or denying the allegations, American Express Financial Corporation (“AEFC,” which is now known as Ameriprise Financial), the parent company of RiverSource Investments, LLC, finalized settlement agreements with the Securities and Exchange Commission (“SEC”) and Minnesota Department of Commerce (“MDOC”) relating to market timing activities. The SEC and MDOC allegations indicated that AEFC failed to: (i) adequately disclose market timing activities in mutual fund and variable annuity product prospectuses; (ii) implement procedures to detect and prevent market timing in 401(k) plans for employees of AEFC and related companies and adequately disclose that there were no such procedures; and (iii) in the case of MDOC only, establish written policies and procedures and properly supervise its employees. AEFC was censured and ordered to cease and desist from committing or causing any violations of certain federal and Minnesota securities laws. AEFC agreed to: (i) pay disgorgement of \$10 million and civil money penalties of \$7 million; (ii) make presentations at least annually to its board of directors and the relevant mutual funds’ board relating to market timing policies and procedures and related disclosures; (iii) retain an independent distribution consultant to assist in distributing disgorgement and civil penalties; and (iv) submit to the MDOC a compliance review of its market timing procedures within one year, including a certification by a senior officer regarding compliance and supervisory procedures. The SEC order is available at <http://www.sec.gov/litigation/admin/ia-2451.pdf>.

Governmental Agency Matter - Memorandum of Understanding. In January 2005, RiverSource Investments, LLC (then known as American Express Asset Management Group Inc. “AEAMG”) and Northwinds Marketing Group LLC, a former affiliate of AEAMG, entered into a memorandum of understanding with the State of Ohio and the Ohio Ethics Commission to resolve a dispute regarding whether any officer, director, employee or agent of AEAMG and/or Northwinds knowingly gave items of value or paid expenses on behalf of Ohio public

agencies, officials or employees that were excessive and/or restricted under Ohio law. AEAMG and Northwinds resolved the matter by agreement and compromise, including the payment of \$124,000 to the Ohio Police and Fire Pension Fund and \$40,000 to reimburse expenses incurred by the Ohio Ethics Commission, without admitting any liability or the truth of any claim.

Litigation Matters. In September 2006, the Office of the Attorney General of the State of New York (“NYAG”) commenced a civil action in New York State Supreme Court against J. & W. Seligman & Co. Incorporated (“Seligman”), Seligman Advisors, Inc. (now known as RiverSource Fund Distributors, Inc.), Seligman Data Corp. and Brian T. Zino (collectively, the “Seligman Parties”), alleging, in substance, that the Seligman Parties permitted various persons to engage in frequent trading and, as a result, the prospectus disclosure used by the registered investment companies then managed by Seligman is and has been misleading. The NYAG included other related claims and also claimed that the fees charged by Seligman to the Seligman Funds were excessive.

On March 13, 2009, without admitting or denying any violations of law or wrongdoing, the Seligman Parties entered into a stipulation of settlement with the NYAG and settled the claims made by the NYAG. Under the terms of the settlement, Seligman will pay \$11.3 million to four Seligman Funds. This settlement resolved all outstanding matters between the Seligman Parties and the NYAG. In addition to the foregoing matter, the New York staff of the SEC indicated in September 2005 that it was considering recommending to the Commissioners of the SEC the instituting of a formal action against Seligman and Seligman Advisors, Inc. relating to frequent trading in the Seligman Funds. Seligman responded to the staff in October 2005 that it believed that any action would be both inappropriate and unnecessary, especially in light of the fact that Seligman had previously resolved the underlying issue with the Independent Directors of the Seligman Funds and made recompense to the affected Seligman Funds. There have been no further developments with the SEC on this matter.

Other Matters. Ameriprise Financial, Inc. and certain of its affiliates, including us, have been involved in other legal, arbitration and/or regulatory matters concerning their respective business activities. These matters include routine litigation, class actions, and regulatory or governmental agency examinations and investigations. As a matter of policy, we do not typically provide copies of deficiency letters or responses stemming from regulatory or governmental examinations or investigations, or publish information relating to ongoing exams, investigations or litigation. However, upon request of a prospective or current client, we may communicate the results of completed exams, investigations or litigation or the status of ongoing matters.

We and Ameriprise Financial believe that neither of we or Ameriprise Financial, nor any of our affiliates, is currently the subject of any pending legal, arbitration, regulatory or other governmental matters that are likely to have a material adverse effect on Ameriprise Financial's financial condition or our ability to meet our contractual commitments to clients. Ameriprise Financial is required to make 10Q, 10-K and, as necessary, 8-K filings with the Securities and Exchange Commission on legal and regulatory matters that relate to Ameriprise Financial and its affiliates. Copies of these filings may be obtained by accessing the SEC website at www.sec.gov.

INFORMATION REGARDING PROXY VOTING POLICIES AND PROCEDURES

Our proxy voting policies and procedures are designed to satisfy our fiduciary obligation with respect to proxy voting in situations where we have been vested with proxy voting authority. In voting proxies on behalf of our advisory clients, we apply the following general principles in an effort to satisfy this fiduciary obligation:

- Maximizing shareholder value;
- considering all relevant factors; and
- voting without undue influence from individuals or groups.

We have adopted proxy voting guidelines covering certain types of proposals. These guidelines indicate whether we vote for, against, or abstain from a particular proposal, or whether the matter should be considered on a case-

by-case basis. The proxy voting guidelines address matters relating to boards of directors, corporate governance, compensation, capitalization, acquisitions and other restructuring transactions, takeover defenses, and certain other business matters. When vested with proxy voting authority and in the absence of specific client guidelines, we will generally vote in the same manner as proxies being voted by our affiliates on behalf of their own clients who have adopted the same voting guidelines. However, recognizing that we and our affiliates each have an independent fiduciary obligation with respect to the voting of proxies, the proxy voting policies fully preserve our ability, and the ability of each affiliate, to vote in a manner contrary to other affiliates as well as voting differently on behalf of a specific client.

In exercising our proxy voting responsibilities, we may consider the recommendations of a third party research provider and may rely upon the recommendations of this research provider in situations where it is possible to establish voting criteria that are consistent with the intent of our voting guidelines. A complete copy of our discretionary proxy voting guidelines is available upon request.

Where we are vested with proxy voting authority, it is our policy to vote all proxies on behalf of the client. Because of the volume and complexity of the proxy voting process, including inherent inefficiencies in the process that are outside our control (e.g., delays or incomplete information from intermediaries such as custodians, proxy agents or parties involved in wrap-fee programs), not all proxies may be voted. In addition voting proxies for companies not domiciled in the United States may involve greater effort and cost due to the variety of regulatory schemes and corporate practices. Certain non-U.S. countries require securities to be blocked prior to a vote, which means that the securities to be voted may not be traded within a specified number of days before the shareholder meeting. We typically will not vote securities in non-U.S. countries that require securities to be blocked as the need for liquidity of the securities in the funds will typically outweigh the benefit of voting. There may be additional costs associated with voting in non-U.S. countries such that we may determine that the cost of voting outweighs the potential benefit. From time to time, we may face regulatory or compliance limits on the types or amounts of voting securities that we may purchase or hold for client accounts, including ownership limits which may restrict the total percentage of an issuer's voting securities that we can hold for clients. As a result, in limited circumstances in order to comply with such limits and/or internal policies designed to comply with such limits, we may delegate proxy voting in certain issuers to a qualified, independent third party, who may be our proxy voting agent.

The administration of our proxy voting process is handled by a central point of administration at our firm (the "Proxy Administrator") servicing us and our affiliates that have adopted the same proxy voting guidelines. Among other duties, the Proxy Administrator coordinates with our third party proxy voting and research providers. Our investment personnel may also make recommendations about voting on a proposal, which may include a recommendation to vote in a manner contrary to our guidelines, subject to established controls. In addition, while we and each of our affiliates ultimately decides how each proxy will be voted, a Proxy Voting Committee reviews policies and procedures and helps ensure quality and objectivity in connection with our proxy voting procedures. The Committee provides a general oversight function designed to ensure that each affiliate's interests are represented with respect to proxy voting procedures.

In voting proxies on behalf of clients, we seek to carry out our responsibilities without undue influence from individuals or groups who may have an economic interest in the outcome of a proxy vote, and we have implemented practices reasonably designed to identify potential significant conflicts of interest. If such a conflict is identified, the proxy policy addresses the resolution of such circumstances in a manner that is consistent with our fiduciary obligations. For example, with respect to Ameriprise Financial, Inc. proxies, we vote in accordance with the recommendation of an independent third party.

Some of our clients may participate in securities lending programs. In these situations, where we are responsible for voting a client's proxies, we will work with the client to determine whether there will be situations where securities loaned out under these lending arrangements will be recalled for the purpose of exercising voting rights.

Securities loaned out under these lending arrangements are typically not recalled because the costs and lost revenue to the client combined with the administrative effects of recalling the securities typically outweigh the benefit of voting the proxy. However, certain clients may decide to establish certain predefined criteria that will trigger a recall for voting purposes (e.g., if the client holds a specific percentage of the issuer's outstanding shares). Under these circumstances, while we will work with the client to exercise voting rights, at times it may be difficult to get securities back on an immediate or timely basis (e.g., there may be a lack of an active market for the securities causing a delay in the borrower's ability to acquire the security for return). Therefore, even when "best efforts" by a client are used to recall securities, loaned securities may not be obtained in time to exercise voting rights.

On an annual basis, or more frequently as determined necessary, we review our existing voting guidelines or add new guidelines. In connection with this review, we consider, among other things, industry trends and the frequency that similar proposals appear on company ballots.

The proxy voting structure adopted by us and our affiliates is designed to ensure that each affiliate is satisfying its fiduciary and other regulatory obligations that govern the voting of proxies while allowing each affiliate to vote proxies based on what it believes is prudent and will maximize long-term shareholder value.

We maintain proxy voting records and related records designed to meet our obligations under applicable law. Where permitted by and in accordance with applicable law, we may rely on third parties to make and retain, on our behalf, a copy of the relevant records. Clients may obtain a complete copy of our proxy voting policies and other information regarding how their proxies were voted upon request by writing to us at the address set forth on the first page of this brochure or calling the phone number that appears on that page.

NOTICE OF PRIVACY POLICIES AND PRACTICES

At RiverSource Investments maintaining our clients' trust and confidence is a high priority. That's why we want you to understand how we protect your privacy when we collect and use personal information, and the measures that we take to safeguard that information.

Information We Collect. In order for us to provide services to you, you provide us with nonpublic personal information about you ("Client Information"). Client Information we collect about you comes primarily from the forms that are completed during the client intake process and from the transactions that you make with us and others. We also may receive Client Information about you from other unaffiliated companies who provide services to you.

Disclosures of Client Information. Client Information about you or any former client is only disclosed as authorized by you or as permitted by law. For example, we may provide copies of your client statements to a third party if you request or authorize such release, or we may be required to provide Client Information pursuant to a subpoena or other legal mandate. Client Information about you or any former client is also disclosed to entities, whether or not affiliated with us, that help us to administer, maintain, and service your accounts. Also, unless we are contractually prohibited, Client Information about you may also be provided to our other financial services affiliates, including other asset management affiliates, in order to assist us, or them, in providing or offering products and services to you. However, we will not share Client Information for marketing purposes with affiliates or non-affiliates or with respect to any natural person or wrap clients even if they may be considered institutional clients. Our institutional policy is, of course, subject to any contractual prohibitions on our ability to share Client Information for marketing purposes and any other client-imposed restrictions on this practice.

Protecting Client Information. We provide access to Client Information only to those employees and agents (which can include affiliates and non-affiliates) who need the information to perform services for you or functions on your behalf, as well as those affiliates who may be involved in providing or offering services to you, as

described above. Be assured that we maintain physical, electronic, and procedural security measures that comply with federal regulations to safeguard Client Information.

If you have any questions about how we protect and safeguard nonpublic personal information, please call your Client Relationship Manager.

Please direct any questions or requests for additional information regarding RiverSource Investments, LLC to the address or telephone number listed on the cover of this brochure.

SUPPLEMENT TO INVESTMENT ADVISER DISCLOSURE DOCUMENT

**RiverSource Investments, LLC
Supplement dated April 16, 2010*
To Disclosure Document dated March 31, 2010**

Columbia Acquisition

Over the next several weeks, Ameriprise Financial, the parent company of RiverSource Investments, LLC, is expected to complete the acquisition of the long-term asset management business of Columbia Management, including Columbia Management Advisors, LLC (CMA) from Bank of America (the “Acquisition”). With the completion of this transaction, we will add extensive talent, enhance our lineup of investment products, and strengthen our distribution platforms. It is expected the “Columbia” brand will become the primary marketing brand for our existing RiverSource-branded products. In addition, following the closing of the Acquisition (the “Closing”), we will change the name we conduct our advisory business under from RiverSource Investments to “Columbia Management Investment Advisers, LLC” and our principal office address will change to 100 Federal Street, Boston, MA 02110 . We will also change the name of RiverSource Fund Distributors, Inc., our indirect wholly-owned subsidiary which is instrumental in the distribution of securities products advised by us, to “Columbia Management Investment Distributors, Inc. Capitalized terms that are not otherwise defined in this Supplement have the same meanings given to them in the Disclosure Document dated March 31, 2010 (the “Disclosure Document”).

The primary purpose of this Supplement is to highlight the material changes to our advisory business following the Closing. All changes described below will be effective immediately following the Closing, unless otherwise indicated.

Additional Client Types

We will offer discretionary investment management services to open-end, registered investment companies branded as “Columbia Funds”, Taft-Hartley relationships, pooled investment vehicles registered or authorized offshore, structured investment products that invest in high yield bonds and various qualified tuition programs under Internal Revenue Code Section 529 (“529 Plans”). We will also provide subadvisory services in the form of discretionary advice to certain clients in the Private Wealth Management (“PWM”) division of Bank of America, N.A. (“BANA”) and also offer non-discretionary advice in the form of model portfolios and research on individual securities to PWM which they use when they manage portfolios for their clients. The relevant sections of the disclosure document are hereby amended to reflect these changes (namely, “ADVISORY SERVICES,” “TYPES OF CLIENTS,” “ADVISORY FEES,” “TYPES OF INVESTMENTS,” “METHODS OF ANALYSIS” and “FINANCIAL INDUSTRY ACTIVITIES OR AFFILIATIONS”). References to “Registered Funds” in the Disclosure Document will include the Columbia Funds.

Standard Fee Schedules that include the Columbia-Branded Strategies

Separate Accounts - This section under the heading “ADVISORY FEES - *Policies and Representative Fee Schedules for Institutional Clients*” is amended to include the following information:

Standard Fee Schedules that include the Columbia-Branded Strategies

Separate Accounts - This section under the heading “ADVISORY FEES - *Policies and Representative Fee Schedules for Institutional Clients*” is amended as follows:

Representative fee schedules used as the starting point for fee negotiations for separate account strategies with institutional clients are provided below.

<i>Equity Separate Account Strategies</i>	
<i>Columbia Large Cap Core</i> <i>Columbia Large Cap Growth</i> <i>Columbia Large Cap Value</i> <i>Columbia Large Cap Contrarian</i> <i>Columbia Large Cap Dividend Value</i> <i>Columbia Multi-cap Core</i> <i>Columbia Focused Large Cap Core</i> <i>Columbia Focused Large Cap Growth</i> <i>Columbia Focused Large Cap Value</i> <i>RiverSource Large-Cap Growth</i>	0.65% on the first \$25 million 0.50% on the next \$25 million 0.40% on the next \$50 million Negotiable over \$100 million
<i>Columbia Mid Cap Core</i> <i>Columbia Mid Cap Growth</i> <i>Columbia Mid Cap Value</i>	0.80% on the first \$25 million 0.70% on the next \$25 million 0.65% on the next \$50 million Negotiable over \$100 million
<i>Columbia Small/Mid Cap Growth</i> <i>Columbia Small/Mid Cap Value</i>	0.85% on the first \$25 million 0.65% on the next \$50 million 0.55% on the next \$75 million Negotiable over \$150 million
<i>Columbia Small Cap Core</i> <i>Columbia Small Cap Growth</i> <i>Columbia Small Cap Value</i> <i>RiverSource Small Company Growth</i>	0.90% on the first \$25 million 0.70% on the next \$50 million 0.60% on the next \$75 million Negotiable over \$150 million
<i>Columbia Technology</i> <i>RiverSource Global Technology</i>	1.00% on the first \$50 million 0.90% on the next \$50 million .80% over \$100 million
<i>Columbia International Large Cap Core</i> <i>Columbia International Large Cap Global</i>	0.80% on the first \$25 million 0.60% on the next \$50 million 0.50% on the next \$75 million Negotiable over \$150 million
<i>Columbia Country or Region Specific (Europe, China)</i>	0.90% on the first \$25 million 0.70% on the next \$50 million 0.60% on the next \$75 million Negotiable over \$150 million
<i>Quantitative Separate Account Strategies</i>	
<i>Columbia Large Cap Core Enhanced 1.5% Tracking Error</i> <i>Columbia Large Cap Value Enhanced 1.5% Tracking Error</i> <i>Columbia Large Cap Growth Enhanced 1.5% Tracking Error</i>	0.30% on the first \$25 million 0.25% on the next \$50 million 0.20% on the next \$75 million Negotiable over \$150 million Note: Add 10 basis points to each breakpoint for Columbia Tax Managed Enhanced.
<i>Columbia Disciplined Core Equity 3.0% Tracking Error</i> <i>Columbia Disciplined Value Equity 3.0% Tracking Error</i> <i>Columbia Disciplined Growth Equity 3.0% Tracking Error</i>	0.40% on the first \$25 million 0.35% on the next \$50 million 0.30% on the next \$75 million Negotiable over \$150 million Note: Add 10 basis points to each breakpoint for Columbia Tax Managed Enhanced.

<i>Columbia Mid Cap Core Enhanced</i> <i>Columbia Mid Cap Value Enhanced</i> <i>Columbia Mid Cap Growth Enhanced</i>	0.45% on the first \$25 million 0.40% on the next \$50 million 0.35% on the next \$75 million Negotiable over \$150 million Note: Add 10 basis points to each breakpoint for Columbia Tax Managed Enhanced.
<i>Columbia Small Cap Core Enhanced</i> <i>Columbia Small Cap Value Enhanced</i> <i>Columbia Small Cap Growth Enhanced</i>	0.50% on the first \$25 million 0.45% on the next \$50 million 0.40% on the next \$75 million Negotiable over \$150 million Note: Add 10 basis points to each breakpoint for Columbia Tax Managed Enhanced.
<i>Columbia Large Cap Index</i>	0.10% on the first \$25 million 0.08% on the next \$50 million 0.06% on the next \$75 million Negotiable over \$150 million
<i>Columbia Mid Cap Index</i> <i>Columbia Small Cap Index</i>	0.15% on the first \$25 million 0.13% on the next \$50 million 0.11% on the next \$75 million Negotiable over \$150 million
<i>Columbia Large Cap Tax-Managed Index</i> <i>Columbia Mid Cap Tax-Managed Index</i> <i>Columbia Small Cap Tax-Managed Index</i>	0.25% on the first \$25 million 0.20% on all assets over \$25 million
<i>Columbia Long-Short Market Neutral</i>	Base Fee: 1.0% on all assets, plus performance fee of 20% of out performance over Treasury Bills using a High Watermark methodology
Fixed Income Separate Account Strategies	
<i>Columbia Core/Intermediate</i>	0.35% on the first \$25 million 0.30% on the next \$25 million 0.25% on the next \$50 million Negotiable over \$100 million
<i>Columbia Core Plus (Up to 30% out of Index sectors)</i>	0.40% on the first \$25 million 0.30% on the next \$25 million 0.25% on the next \$50 million Negotiable over \$100 million
<i>Columbia Short Duration Fixed</i>	0.20% on the first \$25 million 0.12% on the next \$50 million 0.10% on the next \$75 million Negotiable over \$150 million
<i>Columbia High Yield – High Quality</i> <i>Columbia High Yield – Broad</i>	0.50% on the first \$50 million 0.40% on the next \$50 million Negotiable over \$100 million
Balanced Separate Account Strategies	
<i>Columbia Domestic Balanced – Conservative</i> <i>Columbia Domestic Balanced – Moderate</i> <i>Columbia Domestic Balanced – Aggressive</i>	0.55% on the first \$25 million 0.40% on the next \$50 million 0.30% on the next \$75 million Negotiable over \$150 million

<i>Columbia Global Balanced</i>	0.65% on the first \$25 million 0.50% on the next \$50 million 0.40% on the next \$75 million Negotiable over \$150 million
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Managed Account Programs - This section under the heading “ADVISORY FEES - *Policies and Representative Fee Schedules for Institutional Clients*” is amended to include the following information:

We have arrangements with program sponsors to provide advisory services in connection with the wrap-fee programs sponsored by the firms noted below. This list is subject to change.

Ameriprise Financial Services, Inc.;	Merrill Lynch, Pierce, Fenner & Smith Incorporated;
Bank of America, N.A.;	Morgan Stanley & Co. Incorporated;
Banc of America Investment Advisors, Inc.;	National Bank Financial, Inc.;
BMO Nesbitt Burns, Inc.;	Oppenheimer Asset Management Inc.;
Charles Schwab & Co., Inc.;	Placemark Investments, Inc.;
CIBC Wood Gundy;	PNC Bank, National Association, and PNC Bank, Delaware;
Citigroup Global Markets Inc. (through its Smith Barney division);	Prudential;
Credit Suisse Securities (USA) LLC;	Raymond James;
Commonwealth Financial Network;	RBC Dain Rauscher;
Deutsche Bank Alex Brown;	RBC Dominion Securities, Inc.;
Envestnet;	Standard Chartered Bank;
First Allied Securities, Inc.;	UBS Financial Services, Inc.;
First Republic Securities;	Wachovia Bank National Association;
FundQuest Inc.;	Wells Fargo Advisors, LLC;
HSBC Bank USA, N.A.;	Wells Fargo Investments, LLC;
J.P. Morgan Securities, Inc.;	Wells Fargo Bank, NA; and;
Lockwood Advisors, Inc.;	Westminster Financial Securities, Inc.

Fees we receive from the program sponsor generally range from 0.25% - 0.70% of the assets in the program to which our services relate. We offer a variety of investment strategies through one or more of the above listed programs, including large-cap value, large-cap growth, small-cap value, small-cap growth and fixed income. In addition, strategies available through Ameriprise Active Portfolios, a discretionary wrap program in which client assets are invested in mutual funds, include Active Accumulation and Active Income, each of which can be varied depending upon a client’s risk tolerance and time horizon.

529 Plans - This section is added at the end of “ADVISORY FEES - *Policies and Representative Fee Schedules for Institutional Clients*”:

We provide investment advisory services to various 529 plans sponsored by various state governments. Fees for such services are negotiated with the state government sponsoring the plan and in certain cases, the plan administrators.

Compensation Arrangements

The section entitled *Referral Arrangements/Sales Compensation* found in “COMPENSATION ARRANGEMENTS” has been supplemented with the following information:

Generally, client fees are not increased as a result of any referral fees. In the event of an increase, the specifics of the fee differential will be disclosed to the client in accordance with the applicable requirements of the Advisers Act.

The section entitled *Portfolio Manager Compensation* found in “COMPENSATION ARRANGEMENTS” has been replaced with the following information:

Portfolio Manager Compensation

Portfolio manager compensation is typically comprised of a base salary, an annual cash bonus, and in some cases an equity incentive award in the form of stock options and/or restricted stock and deferred compensation the value of which is measured by reference to the performance of specified accounts. The equity incentive awards and deferred compensation vest over time contingent on continuing employment with Ameriprise Financial. Portfolio manager compensation may also include retention bonuses that require continued employment through a specified date.

A portfolio manager’s bonus is variable and generally is based on (1) an evaluation of the portfolio manager’s investment performance and (2) the results of a peer and/or management review of the portfolio manager, which takes into account skills and attributes such as team participation, investment process, communication and professionalism. In evaluating investment performance, management generally considers the one, three and, in some cases, five year performance of mutual funds and other accounts managed by the portfolio manager relative to the benchmarks and peer groups, emphasizing the portfolio manager’s long-term performance. Consideration may also be given to a portfolio manager’s performance in managing client assets in sectors and industries assigned to the portfolio manager as part of his/her investment team responsibilities, where applicable. For portfolio managers who also have group management responsibilities, another factor in their evaluation is an assessment of the group’s overall investment performance.

Funding for the bonus pool varies by portfolio management team but in most cases it is determined by management and depends on, among other factors, the levels of compensation generally in the investment management industry (based on market compensation data) and our profitability for the year, which is largely determined by assets under management.

Exceptions to this general approach to bonus pool funding are (i) the Seligman Value Team, the Contrarian Equity Team and the Small/Mid Cap Growth and Special Equity Team where the funding for the bonus pool is based on the level of assets under management and investment performance relative to a peer group or benchmark, which may be a different benchmark than the one used to measure performance; (ii) the Minneapolis Fixed Income Team where the funding for the bonus pool is based on investment performance relative to a peer group or benchmark, which may be a different benchmark than the one used to measure performance and aggregate market competitive bonus targets, (iii) the Seligman Technology Team, which receives bonus pool funding from management fees; (iv) the RiverSource Integrity Team and the Financial Spectrum Strategy Investment Team, which receive bonus pool funding based on the higher of a percentage of management fees or a market-based target determined by senior management and leveraged based on absolute performance; (v) the Leveraged Debt Group, which receives bonus pool funding from management fees and profits; and (vi) one portfolio manager whose compensation is based on management’s assessment of individual goal performance and revenue related to management of one fund as well as other funds managed by the Contrarian Equity Team. In addition, where a team manages long/short portfolios (including private funds), the bonus pool is also funded by a percentage of any performance fees generated.

Our senior management has the discretion to increase or decrease the size of the bonus pool and to determine the exact amount of each portfolio manager’s bonus based on his/her performance as an

employee, except in the case of the Seligman Technology Team and the portion of the Leveraged Debt Group's bonus pool related to institutional portfolios where agreements with members of those groups limit senior management discretion.

In addition, our portfolio managers are provided with a benefits package, including life insurance, health insurance, and participation in a company 401(k) plan, comparable to that received by our other employees. Certain investment personnel are also eligible to voluntarily defer a portion of their compensation. An individual making this type of election can allocate the deferral to the returns associated with one or more products they manage or support or to certain other products managed by their investment team. Depending upon their job level, our portfolio managers may also be eligible for other benefits or prerequisites that are available to all of our employees at the same job level.

Methods of Analysis that include Columbia-Branded Strategies

The section entitled "METHODS OF ANALYSIS" has been supplemented with the following information:

While individual portfolio managers may emphasize one method of security analysis over another, the primary methods of analysis we employ are fundamental analysis (*i.e.*, the analysis and interpretation of basic company and industry data) and quantitative analysis (*i.e.*, the analysis and interpretation of numerical, measurable characteristics). We also use other methods of analysis such as technical analysis (charting) and cyclical analysis. The firm maintains an internal centralized research function for both equity and fixed income. Investment analysts who are responsible for centralized research provide their views on specific issuers and securities internally for general consumption by other analysts and portfolio managers. However, equity analysts that are tied to specific portfolio management teams or strategies generally do not provide their research internally in this manner.

Additional information about the Columbia-branded strategies that we offer will be provided to prospective institutional clients for the relevant strategies as requested.

Education and Business Background

The section entitled "EDUCATION AND BUSINESS BACKGROUND" has been amended and restated as follows:

The following is the education and business background of our principal executive officers and directors. Principal executive officers may also be officers or directors of Ameriprise Financial or its other subsidiaries.

Principal Executive Officers and Directors

Beth Ann Brown (born in 1968) Senior Vice President – Intermediary Distribution Asset Management. Prior to joining the Ameriprise organization in 2010 she was employed by CMA and one of its predecessor firms from 1993 to 2010, most recently as Managing Director and Head of Intermediary Distribution Strategic Partnering and Planning. She has been a member of the investment community since 1992 and holds a B.S. degree from Boston College.

J. Kevin Connaughton (born in 1964) Senior Vice President and General Manager Mutual Fund Products. Prior to joining the Ameriprise organization in 2010, he was employed by CMA from 1998 to 2010, most recently as Managing Director and Head of Mutual Funds and has been a member of the investment community since 1987. He holds a B.S. degree in Finance from the University of Rhode Island.

Amy K. Johnson (born in 1965) Senior Vice President and Chief Operating Officer. Ms. Johnson joined the Ameriprise organization in 2001 as Director – Product Development and Research for the firm. In 2004 she assumed the role of Vice President – Operations and Compliance focused on asset management products, and became Vice President – Asset Management and Trust Company Services from November 2006 to May 2009. She earned B.S. and M.A. degrees in Accounting at the University of Iowa and is also a Certified Public Accountant.

Michael A. Jones (born in 1959) Director and President. Prior to joining the Ameriprise organization in 2010, he was employed by CMA from 2006 to 2010, most recently as President, Chief Executive Officer and Chairman of the Board. Prior to joining CMA, Mr. Jones served as co-President and Senior Managing Director at Robeco Investment Management from 2002 to 2006 and has been a member of the investment community since 1982. He holds a B.A. degree in History from Colgate University.

Robert McConnaughey (born in 1970) Senior Vice President and Head of Equities. Prior to joining the Ameriprise organization in 2010, he served as the Head of Equity for CMA and prior to that as director of CMA's Fundamental Equity Research from 2002 to 2010. Mr. McConnaughey earned his B.A. degree from Dartmouth College.

Brian J. McGrane (born in 1971) Director, Senior Vice President and Chief Financial Officer. He is also currently Executive Vice President - Finance Asset Management, Insurance and Annuities, Strategic Business Analysis for Ameriprise Financial. Since joining the Ameriprise organization in 1999, Mr. McGrane has also served as VP/LFO - Institutional and Brokerage (1/02-10/03), VP/LFO - US Brokerage (1/01-1/02) and Director - Financial Standards and Accounting Policy (6/99-1/01). He earned a B.A. in Accounting from St. John's University, Collegeville, MN and is also a Certified Public Accountant.

Colin Moore (born in 1958) Director and Chief Investment Officer. Prior to joining the Ameriprise organization in 2010, he was the Chief Investment Officer and Head of Fundamental and Quantitative Equity Investments and Fixed Income and Liquidity Strategies of CMA from 2002 to 2010. Mr. Moore attended the London Business School where he completed their Investment Management Program. He has been a member of the investment community since 1983 and is an associate by examination of the Institute of Investment Management and Research.

Jeffrey F. Peters (born in 1965) Senior Vice President and Head of Institutional Distribution. Prior to joining the Ameriprise organization in 2010, he was employed by CMA from 2007 to 2010, most recently as a Managing Director and Head of Global Institutional Distribution. Prior to that, he employed by Putnam Investments from 1999 to 2007 where he held numerous positions including Senior Managing Director and Head of International Business. He also served as Putnam Investments' Chief Operating Officer of International Business and Managing Director of Corporate Development. Mr. Peters has been a member of the investment community since 1987. He earned a B.A. degree in Economics from Princeton University and an M.B.A. degree from Harvard Graduate School of Business.

Scott R. Plummer (born in 1959) Chief Legal Officer. He is also Vice President and Lead Chief Counsel Asset Management for Ameriprise Financial and Vice President, General Counsel and Secretary of the Registered Funds. Mr. Plummer joined the Ameriprise organization in 2004 as Vice President- Asset Management Compliance. He assumed his current position in June 2005. Prior to joining the Ameriprise organization, he was Senior Vice President and Chief Compliance Officer of U.S. Bancorp Asset Management and the Private Client, Trust and Asset Management Division of US Bancorp from 2002 to 2004. He earned a B.A. degree from the University of Wisconsin-Madison and a J.D. degree from William Mitchell College of Law.

Christopher Thompson (born in 1964) Senior Vice President – Head of Investment Products and Marketing. Prior to joining the Ameriprise organization and CMA in 2010, he was Managing Director and Head of Investment Product Management at Putnam Investments from 1997 to 2010. He has been a member of the investment community since 1987. He holds a B.A. degree in Government from Dartmouth College and an M.B.A. degree from the Stern School of Business, New York University.

William F. “Ted” Truscott (born in 1960) Chairman of the Board. Mr. Truscott is also President – U.S. Asset Management, Annuities and Chief Investment Officer of Ameriprise Financial, Chairman of the Board and Chief Executive Officer of RiverSource Distributors and Chairman of the Board of RiverSource Fund Distributors (to be known as Columbia Management Investment Distributors), and Director, President and Chief Executive Officer of the Ameriprise Certificate Company. Mr. Truscott is also a Director of the Registered Funds (since 2001) and was our Chief Investment Officer from 2002 to 2010. Mr. Truscott joined the Ameriprise organization in 2001. Prior to that, Mr. Truscott had served as Chief Investment Officer with Zurich Scudder Investments, Americas, from October 2000 through August 2001 and Managing Director of Zurich Scudder Investments from January 1996 through October 2000. He received a B.A. degree in East Asian Studies from Middlebury College and an M.B.A. degree from New York University.

Amy Unckless (born in 1972) Senior Vice President and Chief Administrative Officer. Prior to joining the Ameriprise organization in 2010 she was HR Executive from 2004 to 2008 and Business Support Executive from 2008 to 2010 at CMA. She holds a B.S. degree in Communication from Cornell University and M.S. and PhD degrees in Industrial/Organizational Psychology from Pennsylvania State University.

Linda J. Wondrack (born in 1964) Vice President and Chief Compliance Officer. Prior to joining the Ameriprise organization in 2010 she was the Chief Compliance Officer (CCO) at CMA. She is the CCO for certain of the Registered Funds. Ms. Wondrack received B.S. degree in Finance from Syracuse University in 1986, a J.D. degree from Suffolk University Law School in 1995 and is admitted to the Massachusetts Bar.

Investment Platforms and Individuals who Determine General Investment Advice

We also, through the Capital Markets Committee of Ameriprise Financial, prepare a quarterly market outlook that provides views on the current state of the capital markets. This outlook is made available to our investment management staff, where it may be used in managing portfolios. This outlook is also used to provide initial guidance with respect to our development of asset allocation strategies for the Portfolio Builder mutual funds, as described in more detail in the funds’ prospectus. The Capital Markets Committee of Ameriprise Financial is comprised of our investment professionals as well as the Heads of Managed Funds and Government Bonds from our Threadneedle Investments affiliate.

Responsibility for the implementation of investment strategies, and day-to-day investment decision-making, rests with the individual portfolio managers and portfolio management teams responsible for client accounts. The education and business background for the supervisors of these portfolio management teams is provided below.

Equity Investment Management

We maintain multiple specialized investment platforms providing equity management with offices located in Boston, MA, New York, NY, Minneapolis, MN, Portland, OR, Menlo Park, CA, Hartford, CT and Cambridge, MA. Mr. McConnaughey is responsible for the overall leadership of these equity management teams. Mr. Connaughey reports to Colin Moore, our Chief Investment Officer.

Columbia Equity Value Team – New York, New York Office

The Columbia Equity Value Team seeks to identify investment opportunities by combining fundamental and quantitative analysis with risk management techniques to construct a portfolio of undervalued, misunderstood large-sized companies.

Lori J. Ensinger (born in 1961) Head of Investments and Senior Portfolio Manager. Prior to joining the Ameriprise organization in 2010, she was employed by CMA (and a predecessor firm, Banc of America Capital Management) from 2001 to 2010, most recently as a Managing Director and Head of the Value Strategies Team. She has been a member of the investment community since 1983. Ms. Ensinger has a B.A. degree in Biology from Williams College and is a member of the New York Society of Securities Analysts. In addition, she holds the Chartered Financial Analyst designation.

Columbia Mid Cap Value Team – New York, New York Office

The Columbia Mid Cap Value Team seeks to identify investment opportunities by combining fundamental and quantitative analysis with risk management techniques to construct a portfolio of undervalued, misunderstood mid-sized companies.

Diane L. Sobin (born in 1961) Senior Portfolio Manager. Prior to joining the Ameriprise organization in 2010, she was employed by CMA (and a predecessor firm, Banc of America Capital Management) from 2001 to 2010, most recently as a Managing Director and Senior Equity Portfolio Manager on the Value Strategies Team. She has been a member of the investment community since 1983. Ms. Sobin earned a B.A. degree in Business Administration with a concentration in Finance from Pace University. In addition, she holds the Chartered Financial Analyst designation.

David I. Hoffman (born in 1962) Senior Portfolio Manager. Prior to joining the Ameriprise organization in 2010, he was employed by CMA from 2001 to 2010, most recently as a Managing Director and Senior Portfolio Manager on the Value Strategies Team. He has been a member of the investment community since 1986. Mr. Hoffman has a B.A. degree in American and Russian Studies from Grinnell College and a M.A. degree in International Affairs from Columbia University.

Columbia Small Cap Value Team I – Boston, Massachusetts Office

The Columbia Small Cap Value Team I seeks to identify high-quality companies with strong balance sheets and sustainable cash flows utilizing research and a disciplined valuation criteria.

Stephen D. Barbaro (born in 1946) Senior Portfolio Manager - Value. Prior to joining the Ameriprise organization in 2010, he was employed by CMA (and a predecessor firm, Fleet Investment Advisors) from 1976 to 2010, most recently as a Managing Director and Senior Portfolio Manager on the Value Strategies Team. He has been a member of the investment community since 1971. Mr. Barbaro earned a B.A. degree from Brown University and an M.B.A. degree from Columbia University. In addition, he holds the Chartered Financial Analyst designation.

Columbia Small Cap Value Team II – New York, New York Office

The Columbia Small Cap Value Team II combines fundamental and quantitative analysis with risk management techniques to construct a portfolio of undervalued, misunderstood small companies.

Christian K. Stadlinger (born in 1962) Senior Portfolio Manager - Value. Prior to joining the Ameriprise organization in 2010, he was employed by CMA (and a predecessor firm, Banc of America

Capital Management) from 2002 to 2010, most recently as a Managing Director and Senior Portfolio Manager on the Value Strategies Team. He has been a member of the investment community since 1989. Dr. Stadlinger earned an M.S. degree in Economics and Computer Science from the University of Vienna and a Ph.D. in Economics from Northwestern University. He is a member of the New York Society of Security Analysts and holds the Chartered Financial Analyst designation.

Seligman Value Team – New York, New York Office

The Seligman Value Team strives to identify catalyst-driven investment opportunities in concentrated portfolios of undervalued companies through a bottom-up, fundamental investment process.

Neil T. Eigen (born in 1943) Vice President and Equity Team Leader. Mr. Eigen joined the Ameriprise organization in 2008 when RiverSource Investments acquired J. & W. Seligman & Co. Incorporated. He currently leads the Seligman Value Team, serving as Co-Portfolio Manager for Small and Large Cap strategies, and has held various progressive investment management responsibilities since joining Seligman in 1997. He has a B.S. degree in Investment Analysis from New York University.

Contrarian Equity Team – Minneapolis, Minnesota Office

The Contrarian Equity Team targets undervalued companies of all sizes through quantitative screening, fundamental research, best ideas and benchmark comparison. John Schonberg is responsible for the overall leadership of the Contrarian Equity Team, though he does not exercise portfolio management responsibilities for accounts managed by the team. The portfolio managers responsible for day-to-day management are Steve Schroll, Laton Spahr and Paul Stocking.

Biographical information for Mr. Schonberg is provided under “Small/Mid Cap Growth and Specialty Equity Team,” which follows.

Columbia Large Cap Growth Team – Boston, Massachusetts Office

The Columbia Large Cap Growth Team seeks to identify investment opportunities utilizing a disciplined investment approach that leads to a “style pure” large-cap growth offering.

John T. Wilson (born in 1963) Senior Portfolio Manager. Prior to joining the Ameriprise organization in 2010, he was employed by CMA from 2005 to 2010, most recently as a Director and Senior Portfolio Manager. He has been a member of the investment community since 1985. Mr. Wilson earned a B.A. degree in Economics from Trinity College and an M.B.A. degree from Duke University. He is a member of both the CFA Institute and the Boston Security Analysts Society. In addition, he holds the Chartered Financial Analyst designation.

Seligman Growth Team – New York, New York Office

The Seligman Growth Team strives to identify catalyst-driven investment opportunities through extensive quantitative and qualitative research utilizing a bottom-up analysis investment process for stock selection.

Erik J. Voss (born in 1967) Vice President and Equity Team Leader. Mr. Voss joined the Ameriprise organization in 2008 when RiverSource Investments acquired J. & W. Seligman & Co. Incorporated. He currently heads the Seligman Core/Growth Investment Team and has served as a Portfolio Manager at Seligman since 2006. Prior to joining Seligman, he was a Portfolio Manager at Wells Capital Management from 2000 to 2006. He has a B.S. in Mathematics and an M.S. in Finance – Applied

Securities Program, both from the University of Wisconsin. He has also earned the Chartered Financial Analyst designation.

Columbia Small - Mid Cap Growth Team – Portland, Oregon Office

The Columbia Small - Mid Cap Growth Team seeks to construct a portfolio comprised of companies with strong management, sustainable growth prospects, high or improving margins and return on invested capital, and internally financed growth.

Wayne M. Collette (born in 1969) Senior Portfolio Manager - Growth. Prior to joining the Ameriprise organization in 2010, he was employed by CMA from 2001 to 2010, most recently as a Managing Director and Senior Equity Portfolio Manager. He has been a member of the investment community since 1996. Mr. Collette earned a B.A. degree in Political Science from Brandeis University and an M.B.A. degree in Finance from the Columbia Business School at Columbia University. He holds the Chartered Financial Analyst designation and is a member of the CFA Society of Portland.

George J. Myers (born in 1972) Senior Portfolio Manager. Prior to joining the Ameriprise organization in 2010, he was employed by CMA from 2004 to 2010, most recently as a Director and Senior Portfolio Manager. He has been a member of the investment community since 1998. Mr. Myers earned his B.B.A. and M.S. degrees in Finance and Real Estate at the University of Wisconsin in Madison. In addition, he holds the Chartered Financial Analyst designation and is a member of the CFA Society of Portland.

Columbia Select Large Cap Growth Team – New York, New York Office

The Columbia Select Large Cap Growth Team seeks to build a portfolio that is diversified across growth industry sectors using cross-correlation analysis to help manage portfolio volatility.

Thomas M. Galvin (born in 1961) Senior Portfolio Manager. Prior to joining the Ameriprise organization in 2010, he was a Managing Director and the Lead Portfolio Manager of the large-cap growth strategy at CMA from 2007 to 2010 and prior to that he was President and Chief Investment Officer of the Growth Equity Group at U.S. Trust from 2003 to 2007. He has been a member of the investment community since 1983. Mr. Galvin earned an undergraduate degree in Finance at Georgetown University and an M.B.A. degree in Finance from New York University. He holds the Chartered Financial Analyst designation and is a member of the New York Society of Security Analysts.

Columbia Select Small Cap Team – New York, New York Office

The Columbia Select Small Cap Team seeks to identify investment opportunities utilizing a disciplined approach focusing on small cap companies and low relative valuation.

Douglas H. Pyle (born in 1951) Senior Portfolio Manager. Prior to joining the Ameriprise organization in 2010, he was a Managing Director and a Portfolio Manager in the Small Cap Equity Group at CMA from 2007 to 2010 and prior to that was a Portfolio Manager at U.S. Trust. He has been a member of the investment community since 1974. Mr. Pyle received a B.S. degree in Business Administration from Ohio State University, an M.B.A. degree from Xavier University, and an A.B.A. degree from the National Graduate Trust School, Northwestern University.

Small/Mid Cap Growth and Specialty Equity Team – Minneapolis, Minnesota Office

The Small/Mid Cap Growth and Specialty Equity Team seeks to identify long-term, high quality growth companies through proprietary research and a focus on solid business fundamentals.

John K. Schonberg (born 1965) Senior Equity Leader and Senior Portfolio Manager. Mr. Schonberg joined the Ameriprise organization in 1997 as a Senior Portfolio Manager managing large capitalization growth portfolios for institutions. Prior to joining, he worked at Piper Jaffray for 10 years as portfolio manager and analyst. Mr. Schonberg earned a B.S. degree in Finance from the University of Nebraska and completed the Chartered Financial Analyst program in 1990. He is also a member of the Twin Cities Society of Security Analysts.

Columbia Equity Large Cap Core Team – Boston, Massachusetts Office

The Columbia Equity Large Cap Core Team seeks to identify investment opportunities utilizing a combined top-down framework and bottom-up security selection to help identify companies it believes have sustainable long-term competitive advantages.

Peter C. Santoro (born in 1972) Senior Portfolio Manager. Prior to joining the Ameriprise organization in 2010, he employed by CMA from 2003 to 2010, most recently as a Vice President and Senior Portfolio Manager on the Large-cap Core Team. He has been a member of the investment community since 1996. Mr. Santoro earned an undergraduate degree from Amherst College and also holds the Chartered Financial Analyst designation.

Columbia Equity Small Cap Core Team – Hartford, Connecticut Office

The Columbia Equity Small Cap Core Team seeks to identify investment opportunities utilizing a value-oriented, disciplined investment process to maintain a diverse sector allocation small-cap strategy.

Richard G. D'Auteuil (born in 1960) Senior Portfolio Manager. Prior to joining the Ameriprise organization in 2010, he was employed by CMA from 1986 to 2010, most recently as a Director and a Senior Portfolio Manager on the Small-cap Core Team. He has been a member of the investment community since 1986. Mr. D'Auteuil earned a B.A. degree from Bowdoin College and an M.B.A. degree from Carnegie Mellon University.

Columbia Equity Contrarian Core Team – Portland, Oregon Office

The Columbia Equity Contrarian Core Team seeks to construct a portfolio consisting primarily of large-cap, well-established companies with a history of paying level or rising dividends combined with debt securities that have intermediate to long term maturities that are primarily rated investment grade.

Guy W. Pope (born in 1966) Senior Portfolio Manager. Prior to joining the Ameriprise organization in 2010, he was employed by CMA from 1993 to 2010, most recently as a Managing Director and Senior Portfolio Manager. He has been a member of the investment community since 1993. Mr. Pope earned a B.A. degree in Political Economics from Colorado College and an M.B.A. degree from Northwestern University. In addition, he holds the Chartered Financial Analyst designation and is a member of the CFA Institute and the Security Analysts of Portland.

Columbia Multi-Cap Core Team – Portland, Oregon Office

The Columbia Multi-Cap Core Team seeks to identify investment opportunities combining top-down research emphasizing overall market sector shifts with bottom-up research focusing on companies that may be best positioned to benefit from those shifts.

Emil Gjester (born in 1960) Senior Portfolio Manager. Prior to joining the Ameriprise organization in 2010, he was employed by CMA from 1996 to 2010, most recently as a Director and a Senior Portfolio Manager on the Portland Multi-cap Core Team. He has been a member of the investment community since 1996. Mr. Gjester earned a B.B.A. degree from Pacific Lutheran University and an M.B.A. degree from the University of Cambridge.

Columbia Equity Value and Restructuring Team – New York, New York Office

The Columbia Equity Value and Restructuring Team seeks to identify investment opportunities utilizing a long-term, multi-cap investment strategy that focuses on the restructuring and/or industry consolidations of value companies.

David J. Williams (born in 1942) Head of Investments and Senior Portfolio Manager. Prior to joining the Ameriprise organization in 2010, he was a Managing Director and Senior Portfolio Manager in the Value Equity Group at CMA from 2007 to 2010 and prior to that, he was a Portfolio Manager at U.S. Trust from 1987 to 2007. He has been a member of the investment community since 1974. Mr. Williams received a B.A. degree from Yale University and an M.B.A. degree from Harvard University. He holds the Chartered Financial Analyst designation.

Columbia Equity Income Team – Boston, Massachusetts Office

The Columbia Equity Income Team seeks to identify investment opportunities utilizing active management of dividend paying stocks, REITS and convertible securities through a low beta approach.

Richard Dahlberg (born in 1939) Head of Investments and Senior Portfolio Manager. Prior to joining the Ameriprise organization in 2010, he was employed by CMA from 2003 to 2010, most recently as the Head of Income Strategies and a Senior Portfolio Manager. He has been a member of the investment community since 1960. Mr. Dahlberg earned a B.S. degree from Northeastern University and an M.B.A. degree from the Wharton School at the University of Pennsylvania. He is a past president of the Boston Security Analysts Society and holds the Chartered Financial Analyst designation.

Scott L. Davis (born in 1956) Senior Portfolio Manager. Prior to joining the Ameriprise organization in 2010, he was employed by CMA (and a predecessor firm, Fleet Investment Advisors) from 1985 to 2010, most recently as a Director and Senior Equity Portfolio Manager. He has been a member of the investment community since 1980. Mr. Davis earned a B.A. degree at American International College and an M.A. degree at the University of Connecticut.

Columbia Quantitative Strategies Team – Boston, Massachusetts Office

The Columbia Quantitative Strategies Team utilizes a rigorous quantitative investment process that seeks to capitalize on focused portfolio exposures and unrelated alpha sources.

Brian M. Condon (born in 1970) Head of Quantitative Strategies. Prior to joining the Ameriprise organization in 2010, he was employed by CMA from 1999 to 2010, most recently as a Managing

Director and Head of Disciplined Strategies. Mr. Condon is also the portfolio manager for the enhanced core and disciplined equity strategies, the lead manager for the firm's research market neutral product and also oversees the quantitative research group. He has been a member of the investment community since 1993. Mr. Condon earned a B.A. degree from Bryant College and an M.S. degree in Finance from Bentley College. He is a member of the Boston Security Analysts Society and the CFA Institute. In addition, he holds the Chartered Financial Analyst designation.

Columbia Asset Allocation Team – Boston, Massachusetts Office

The Columbia Asset Allocation Team seeks to identify investment opportunities by constructing portfolios with long-term strategic target allocations and shorter-term tactical allocations to endeavor capitalize on investment.

The Columbia Asset Allocation Team is lead by Colin Moore. The biographical information for Mr. Moore is provided above.

Columbia International Equity Team – Boston, Massachusetts Office

The Columbia International Equity Team seeks to identify investment opportunities utilizing both quantitative and fundamental research in stock selection and efficient portfolio construction to maintain the benefits of the stock level research.

Fred Copper (born in 1968) Head of International Quantitative Strategies. Prior to joining the Ameriprise organization in 2010, he was employed by CMA from 2005 to 2010, most recently as a Managing Director and Head of International Equity. He has been a member of the investment community since 1990. Mr. Copper earned a B.S. degree from Boston College and received his M.B.A. degree from the University of Chicago. In addition, he holds the Chartered Financial Analyst designation.

Columbia Emerging Markets Team – Boston, Massachusetts Office

The Columbia Emerging Markets Team seeks to identify investment opportunities utilizing a combination of top-down and bottom-up approaches, designed to identify countries and companies expected to have improving margins and sustainable earnings growth.

Dara J. White ((born in 1975) Senior Portfolio Manager. Prior to joining the Ameriprise organization in 2010, he was employed by CMA from 2006 to 2010, most recently as a Director and Senior Portfolio Manager with the International Equity Team and, prior to that, was a Portfolio Manager and Analyst with RCM Global Investors. He has been a member of the investment community since 1998. Mr. White earned his B.S. degrees in finance and marketing from Boston College. He is a member of the CFA Institute and the Security Analysts of San Francisco and holds the Chartered Financial Analyst designation.

Seligman Technology Group – Menlo Park, California Office

The Seligman Technology Group seeks to identify investment opportunities utilizing extensive in-depth research into specific companies in the technology, communications, information, health and related industries using a bottom-up stock selection approach.

Paul H. Wick (born in 1963) Vice President and Equity Team Leader. Mr. Wick joined the Ameriprise organization in 2008 when RiverSource Investments acquired J. & W. Seligman & Co. Incorporated. He currently leads the Seligman Technology Group and has served as a Portfolio Manager at Seligman since

1989. Mr. Wick began his investment career at Seligman, joining the firm in 1987. He has a B.A. degree in Economics and an M.B.A. degree in Finance, both from Duke University.

Financial Spectrum Strategy Investment Team – Boston, Massachusetts Office

The Financial Spectrum Strategy Investment Team seeks to identify investment opportunities utilizing extensive in-depth research into specific companies in the financial sector using a bottom-up stock selection approach.

Bryan Beauchesne, (born 1974) Vice President and Portfolio Manager. Mr. Beauchesne joined the Ameriprise organization in 2003 and has been managing long/short assets in the Financial sector for more than five years. His prior investment experience includes equity analysis for American Express Asset Management and Essex Investment Management, both based in Boston. Mr. Beauchesne graduated cum laude from Rensselaer Polytechnic Institute with a B.S. degree in Physics, with a concentration in Astrophysics. He received his M.B.A. degree with Honors from MIT Sloan School of Management. He is a member of the BancAnalysts Association of Boston.

Robert Roell, (born 1977) Vice President and Portfolio Manager. Mr. Roell joined the Ameriprise organization in 2002 and has been managing long/short assets in the Financial sector for more than five years. His prior investment experience includes equity and credit analysis for Madison Investment Advisors and Stark Investments, both based in Wisconsin. Mr. Roell graduated from the University of Wisconsin, Madison with a BA in Business Administration. He received his M.S. degree in Finance, Investment and Banking from the University of Wisconsin, Madison. He holds the designation of Chartered Financial Analyst.

RiverSource Integrity Team – Boston, Massachusetts Office

The RiverSource Integrity Team seeks to identify investment opportunities utilizing a long/short equity strategy with emphasis on low volatility, consistent long-term results and capital preservation.

Stephen C. Demirjian, (born in 1961) Vice President and Portfolio Manager. Mr. Demirjian joined the Ameriprise organization in 2009 with more than 25 years of investment industry experience. Prior to joining, he was a Founder and Managing General partner at Integrity Capital Management, a Boston-based manager of long/short private funds from 2003 to 2009. Prior to his tenure at Integrity, Mr. Demirjian was President and Director at Westfield Capital Management from 1996 to 2003. He holds a B.A. degree from Tufts University and an M.B.A. degree from Babson College.

Murphy vanderVelde, (born in 1965) Vice President and Portfolio Manager. Mr. vanderVelde joined the Ameriprise organization in 2009 with more than 21 years of investment industry experience. Prior to joining, he was Chief Operating Officer and Chief Risk management Officer at Integrity Capital Management, a Boston-based manager of long/short private funds from 2007 to 2009. Prior to his tenure at Integrity, Mr. vanderVelde was a Co-Founder and Chief Executive Officer of Midway United from 2005 to 2007. Prior to his tenure at Midway, he was Managing Director and Senior Vice President at Miller Tabak, a Boston-based institutional trading firm from 2002 to 2006. He holds a B.A. degree from Trinity College.

Fixed Income Investment Management

We maintain four specialized investment platforms providing fixed income management with offices located in Boston, MA, Minneapolis, MN, Los Angeles, CA and Portland, OR.

Fixed Income Team – Minneapolis, Minnesota Office

The Fixed Income Team seeks to design and execute investment strategies that drive performance by leveraging team-based sector leadership and expansive, high quality research.

Colin J. Lundgren (born in 1964) Vice President – Institutional Fixed Income. Mr. Lundgren joined the Ameriprise Financial organization in 1986 and became manager of the Investment Statistical Group in 1989. Since then, he has held positions of responsibility for the development and operation of enhanced equity index products, fixed income quantitative analysis, mortgage sector analysis and portfolio management. He earned a B.A. in Political Science from Lake Forest College. He earned the Chartered Financial Analyst designation in 1995, and is a member of the Twin Cities Society of Security Analysts.

Timothy J. Masek (born in 1959) Vice President and Director of Fixed Income Research. Mr. Masek joined the Ameriprise Financial organization in 1993 and has been the Director of Fixed Income Research since 1994. Prior to joining, he worked as a fixed income analyst in the public and private markets for two money management firms. He earned a B.S. and an M.B.A. from the University of Minnesota. He also earned the Chartered Financial Analyst designation in 1990 and is a member of the CFA Society of Minnesota.

Thomas W. Murphy (born in 1964) Vice President and Senior Sector Leader – Investment Grade Credit. Mr. Murphy joined the Ameriprise organization in 2002 with more than 15 years of financial services experience. Most recently he worked at BlackRock Financial Management where he served as Managing Director and Portfolio Manager. Prior to BlackRock, he worked for 10 years at Zurich Scudder Investments. He holds an M.B.A. degree from the University of Michigan, and a B.B.A. degree from The University of Notre Dame. He earned the Chartered Financial Analyst designation in 1995.

Nicholas “Nic” S. Pifer (born in 1964) Vice President and Senior Sector Leader-Global Fixed Income. Mr. Pifer joined the Ameriprise organization in 2000. Previously, he worked for three years at Investment Advisers, Inc. (IAI), where he managed international and global fixed income portfolios as a Fixed Income Portfolio Manager. Prior to joining IAI, he worked for six years at the Federal Reserve Bank of New York. He holds a B.A. degree from Wesleyan University, and an M.A. degree from the Johns Hopkins School of Advanced International Studies (SAIS). He earned the Chartered Financial Analyst designation in 1999 and is a member of the Twin Cities Society of Security Analysts.

Jennifer Ponce de Leon (born in 1967) Vice President and Senior Sector Leader – High Yield Fixed Income. Ms. Ponce de Leon joined the Ameriprise organization in 1997 as a Senior Credit Analyst covering high yield bonds and was promoted to Portfolio Manager in 2000. She assumed her current capacity as Sector Leader in 2003. Ms. Ponce de Leon has been in the investment industry specializing in High Yield Bonds since 1989. She was previously employed at T. Rowe Price Associates as a vice president and senior credit analyst covering high yield bonds. Prior to that, she held a similar position at Stein Roe & Farnham. She graduated from Augustana College with a B.A. degree in Business Administration, and earned an M.B.A. degree with a concentration in Finance from De Paul University.

Scott A. Schroepfer (born in 1959) Sector Manager - High Yield Fixed Income. Mr. Schroepfer joined RiverSource Investments in 1990 as a Credit Analyst and was promoted to Associate Portfolio Manager in 1994 and then, to Portfolio Manager in 1995. He earned a B.S. degree in Business Administration from the University of Wisconsin and an M.B.A. degree with a concentration in Finance from the University of Minnesota. He has earned the Chartered Financial Analyst designation and is a member of the CFA Society of Minnesota.

Todd White (born in 1964) Vice President and Senior Sector Leader - Liquid and Structured Assets. Mr. White joined RiverSource Investments in 2008 and has been in the financial services industry since 1986. He was previously employed as Managing Director and Global Head of Asset-Backed and Mortgage-Backed Securities businesses at HSBC, from 2004 to 2008, where he also led the North American Interest Rate business. Prior to that, he served as Managing Director and Head of Business for Mortgage Pass-Throughs and Options at Lehman Brothers from 2000 to 2004. He holds a B.S. degree in Finance from Indiana University.

Fixed Income Strategy Sub-Committee

Certain members of our fixed income sector teams serve on a Fixed Income Strategy Sub-Committee responsible for implementation of the overall investment strategy for “core” and “core plus” fixed income portfolios. The primary responsibilities of the sub-committee are to determine sector allocation, curve positioning and interest rate exposure for these portfolios. Voting members of the committee include Tom Murphy, Scott Schroepfer and Todd White.

Fixed Income Team – Boston, Massachusetts Office

The team manages a series of core and core plus investments that invest in high-quality, diversified fixed income bonds. They also manage some specialty areas such as insurance and liability investing.

Alexander D. Powers (born in 1957) Lead Head of Core Fixed Income. Prior to joining the Ameriprise organization in 2010, he was employed by CMA from 2007 to 2010, most recently as a Managing Director, Co-head of the Core Fixed Income Team and Head of the Liability-driven Fixed Income Investment Strategies. Prior to that, Mr. Powers was Head of Fixed Income and Senior Portfolio Manager for core fixed-income portfolios and a member of the Investment Strategy and Investment Policy Committees at U.S. Trust from 1996 to 2007. He has been a member of the investment community since 1979. Mr. Powers received a B.A. degree from Boston College and an M.B.A. degree from New York University’s Stern Graduate School of Business Administration.

Fixed Income Team – Portland, Oregon Office

The team manages a short term bond funds and stable value products that seek current income consistent with minimal fluctuation of principal by investing in debt securities across a wide array of sectors.

Leonard A. Aplet (born in 1954) Director of Fixed Income Investments. Prior to joining the Ameriprise organization in 2010, he was employed by CMA from 1987 to 2010, most recently as a Managing Director and Head of Short Duration Fixed Income. Mr. Aplet is also a member of the Columbia Management Asset Allocation committee that determines asset class weights within balanced portfolios and has been a member of the investment community since 1976. Mr. Aplet earned a B.S. degree from Oregon State University and an M.B.A. degree in Finance from the University of California at Berkeley. He holds the Chartered Financial Analyst designation and is a member of the CFA Institute and the Portland Society of Financial Analysts.

RiverSource Leveraged Debt Group - Los Angeles, California Office

The RiverSource Leveraged Debt Group seeks to maximize return and minimize default risk in managing high yield loans, bonds and other assets.

Lynn A. Hopton (born in 1960) Vice President and Senior Portfolio Manager, Co-Head of the RiverSource Leveraged Debt Group. Ms. Hopton maintains primary responsibility and oversight in managing high yield investments employed in the leveraged debt strategies. She joined the Ameriprise

organization in 2000 after nine years at SunAmerica Inc., where she had been responsible for managing investments across a variety of asset classes. She is a Phi Beta Kappa graduate of Northwestern University with a B.A. degree in Economics and has an M.B.A. degree from the J.L. Kellogg Graduate School of Management at Northwestern University.

Yvonne E. Stevens (born in 1964) Vice President and Senior Portfolio Manager, Co-Head of the RiverSource Leveraged Debt Group. Ms. Stevens maintains primary responsibility and oversight in managing bank loan investments employed in the leveraged debt strategies. She joined the Ameriprise organization in 2000, after almost seven years at SunAmerica Inc., where she was a portfolio manager investing in a variety of asset classes including CLOs, other structured products, senior secured debt, and emerging markets. She received her B.A. degree from Wellesley College and an M.B.A. degree from the Wharton School of Business.

Individuals Supporting Other Core Functions

The education and business background for other key individuals supporting our investment advisory activities is provided below.

Kent M. Bergene (born in 1958) Vice President - Product Planning and Strategy. Mr. Bergene joined the Ameriprise organization in 1981. He is a member of the portfolio management team for the RiverSource Portfolio Builder Funds and a member of the subadvised strategies team, a dedicated group of investment specialists who conduct analysis to select and oversee money managers for subadvised equity strategies. Mr. Bergene received a B.S. degree in Mathematics from the University of North Dakota.

Debbie Galka (born in 1966) Vice President- Enterprise Risk Management. Ms. Galka joined the Ameriprise organization in 1989. Since that time she has held numerous investment management operations and finance positions, most recently Vice President, Investment Business Systems from 2002 to 2004, Vice President, Project Management from 2004 to 2007 and Vice President, Head of Risk Management from 2007 to 2010. Ms. Galka holds a B.S. in Finance from St. Cloud State University and an M.B.A. with a concentration in Finance from the University of St. Thomas.

David M. Joy (born in 1952) Vice President – Capital Market Strategist. Mr. Joy joined the Ameriprise organization in 2003 and is a member of the Ameriprise Financial Capital Markets Committee and a member of the Asset Allocation Team in the Office of the CIO. He earned a B.A. degree from the College of Holy Cross and an M.B.A. degree from the Boston College Carroll School of Management.

Melda Mergen (born in 1974) Vice President – Investment Oversight. Prior to joining the Ameriprise organization in 2010 she was Vice President and Head of Investment Oversight from 2007 to 2010 and a Senior Quantitative Research Analyst for the Systematic Research Group from 2004 to 2007 at CMA. She joined CMA and the investment community in 1999. Ms. Mergen holds a B.A. degree in Economics from Bogazici University and an M.B.A. degree from the University of Massachusetts at Amherst. She holds the Chartered Financial Analyst designation and is a member of the CFA Institute and the Boston Security Analysts Society.

Joseph P. Nee (born in 1961) Vice President – Product Management and Development. Mr. Nee joined the Ameriprise organization in 2007 with more than 21 years of mutual fund industry experience. Most recently he was Vice President and Head of Product Strategy and Development at JP Morgan Funds from 2002 to 2007. Mr. Nee received a B.A. degree in Finance from the University of Massachusetts and an M.B.A. degree from Northeastern University.

Investment Oversight and Governance

We have an Investment Oversight Committee that is responsible for overseeing our investment process. It includes, among other senior investment professionals in the firm, Michael A. Jones, Robert McConnaughey, and Colin Moore. The biographical information for these individuals is provided above.

Financial Industry Activities or Affiliations

The first section of “FINANCIAL INDUSTRY ACTIVITIES OR AFFILIATIONS” is supplemented with the following:

In connection with the Acquisition, we will also receive certain transitional services from Bank of America that are necessary to effect a smooth transition to a fully integrated firm. The services provided impact a wide variety of functions relating to trading and settlement support, technology, marketing, proxy voting, and compliance, among others. By the terms of the relevant agreement, these services will not be provided for more than 18 months from the close of the Acquisition, subject to a six month extension under certain circumstances.

The subsection entitled *Investment Advisers* is supplemented with the following:

We are also affiliated with Columbia Wanger Asset Management, LLC (“Wanger”), an SEC-registered investment adviser that manages certain of the Registered Funds under the offering brands of Columbia Wanger Funds and Columbia Acorn Funds. Ameriprise provides certain non-investment advisory services such as bookkeeping and pricing services to these Funds.

Investment or Brokerage Discretion

Additional Trading Desk

The section entitled “INVESTMENT OR BROKERAGE DISCRETION” has been amended to include the following information:

Separate Trading Desks

For both equity and fixed income securities transactions, we operate separate trading desks in different geographic locations in the United States. The trading desks support different portfolio management teams managing a variety of accounts and products.

Throughout a transition period following the closing of the Acquisition, different trading systems will be used for each of equity and fixed income trading. By operating the trading desks in this manner, our clients may forego certain opportunities including the aggregation of trades across accounts that trade on different equity and fixed income trading systems, respectively which could result in the equity or fixed income trading desks competing in the market for similar trades. In addition, it is possible that the separate trading desks may be on opposite sides of a trade at the same time. Likewise, certain procedures, including those that require a specific priority for some transactions over others (e.g., transactions for underlying securities ahead of transactions in options in the underlying security) may be difficult to implement during the transition period. While the trading desks operate in this manner, the desks do have linkages in oversight and reporting lines and equity trading and fixed income trading, respectively, are generally conducted under similar policies and procedures.

In 2010, we anticipate that each of the equity and fixed income trading functions will be functionally and operationally integrated.

Additional Trading-Related Practices

The section entitled “INVESTMENT OR BROKERAGE DISCRETION” has been amended to include the following information:

The last paragraph of the section entitled Allocations of Investments in Initial Public Offerings (“IPO”) has been restated as follows:

We have adopted policies and procedures relating to the allocation of IPO investment opportunities. Allocations are monitored on a case-by-case basis and over time to ensure compliance with our allocation policies. These policies and procedures include a “tiering” structure whereby accounts placed in the first tier receive a pro rata allocation of up to 100% of their indication of interest before accounts in the second tier receive a pro rata allocation of any remaining shares. Subject to limited exceptions, our procedures define the first tier to include accounts without a market capitalization focus and accounts whose market capitalization focus or sector/industry focus match the nature of the securities offered (e.g., small-cap account and a small-cap IPO). Our procedures also limit the indication of interest for all accounts to 2% of an account’s market value, though specialty accounts may submit an indication of interest up to 4% of the account’s market value if the offering is within that specialty. These procedures may result in accounts in the second tier receiving a lower allocation or no allocation, even if the accounts are of a relatively large size.

The section entitled Error Correction has been amended to remove the \$100 threshold required for reimbursements to client accounts.

Participation or Interest in Client Transactions

Conflicts of Interest - This section under the heading entitled “PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS” has been amended to include the following additional information on conflicts of interest:

Advisory and Sub-Advisory Services to Bank of America and its Affiliates

We provide discretionary advice to fiduciary accounts (which may include trusts, investment management accounts, guardianships, and agency accounts) with respect to the investment of assets over which PWM exercises discretion, and to common trust funds and collective funds maintained by PWM (collectively, “PWM client accounts”). We also provide non-discretionary advice that PWM uses in the management of certain of its fiduciary accounts in the form of model portfolios. For these discretionary and non-discretionary PWM client accounts, we may effect the securities transactions. Fees for these services are negotiated between us and BANA and may be lower than fees charged to separately managed accounts in the same strategy.

As previously discussed (refer to “Methods of Analysis that include Columbia-Branded Strategies”), the firm maintains an internal centralized research function for both equity and fixed income. Investment analysts who are responsible for centralized research provide their views on specific issuers and securities internally for general consumption by other analysts and portfolio managers. However, certain equity analysts that are tied to specific portfolio management teams or strategies generally do not provide their research internally in this manner. In accordance with the terms of the Acquisition, and pursuant to the terms of our master sub-advisory agreement with Bank of America the same analysts that provide internal research described above also share general and specific research regarding equity securities and issuers with designated PWM portfolio managers on a non-discretionary basis that is not available to other clients of ours. This research is provided periodically, and in some cases daily, either through electronic distribution or through communication in group meetings. Periodically, credit ratings information may be provided with respect to investment grade taxable bonds. The research and other information that is

provided is for PWM's internal use only and may not be re-distributed by PWM. In connection with our services to PWM, PWM portfolio managers may act upon the information we provide and may make investment decisions for their client accounts that are similar to or contrary to what we implement for our own discretionary account clients. Since some of the research we provide to PWM is provided at the same time as the research is distributed internally, PWM portfolio managers may act on such research before our own portfolio managers.

Proxy Voting

Due to operational issues, we will maintain separate proxy voting policies and procedures from each organization. A copy of the applicable proxy voting policies and procedures governing your account is available upon request. Due to the different proxy voting policies and procedures, we will have two separate points of administration for proxy voting until our proxy voting policies and procedures are harmonized over the coming months. The two groups will seek to identify and reconcile, if appropriate, situations in which the same proxy could be voted differently due to application of different policies and procedures during this transition period.

***Supplement valid until April 1, 2011 unless amended**