# Separately Managed Accounts and Model Portfolios: Compensation and Revenue Sharing

Citigroup Global Markets Inc. ("CGMI") receives revenue sharing payments for providing various services to sponsors/managers ("Sponsors") of investment products, such as mutual funds, ETFs, separately managed accounts, and model portfolios (each, a "Third-Party Product"), that it recommends to its investment advisory clients ("CGMI Clients"). The services that CGMI provides to Sponsors include some or all of the following: financial advisor education about Third-Party Products, marketing and product support, participation in CGMI's internal meetings and events, and reporting and data analytics (the "Services").

CGMI has a conflict of interest due to its receipt of such compensation. CGMI has an incentive to recommend or invest CGMI Client assets in those Third-Party Products for which we receive revenue share over other investment products for which we do not receive revenue share, or products for which we receive a lower share of the revenue. CGMI is not, and is not expected to be, an investor in Third-Party Products. However, certain personnel of CGMI, in their personal capacities, may be investors in Third-Party Products.

Currently, in consideration of CGMI providing Services to Sponsors of separately managed accounts and model portfolios in CGMI Client accounts, CGMI receives revenue sharing payments up to a maximum per Sponsor at the rates set forth below, subject to a minimum annual charge of $50,000:

- (1) 20% per year of the management fee on aggregate client holdings, or (2) 0.05% per year ($5 per $10,000) on aggregate client holdings, excluding investment advisory accounts with retirement assets.

In addition, for mutual funds and ETFs, CGMI receives revenue sharing payments up to a maximum per Sponsor at the rates set forth below, in each case subject to a minimum annual charge of $50,000:

- (1) 0.14% per year ($14 per $10,000) on aggregate client holdings, or (2) 20% per year of the management fee or revenue derived from adjusted fund expense ratios on aggregate client holdings, excluding investment advisory accounts with retirement assets.

Sponsors vary in their approach to revenue sharing, and the minimum annual charge, applicable rates, calculation methodology, and scope of included assets may differ significantly, which creates a conflict of interest. CGMI has an incentive to recommend or invest CGMI Client assets with Sponsors that pay us more.

CGMI has taken steps to mitigate conflicts of interest associated with recommendations and revenue sharing arrangements. For example, payments are not shared with CGMI financial advisors, participating Sponsors are subject to the same oversight and monitoring standards as other managers, and payment of revenue sharing does not entitle any Third-Party Products to exclusive or preferential treatment, or inclusion on any due diligence approved list. These steps mitigate, but do not eliminate, the conflicts of interest described above.

Separately Managed Accounts and Model Portfolios: The participating Sponsors are listed below.

Mutual Funds and ETFs: Additional information about CGMI's revenue sharing arrangements, including a list of participating Sponsors, is available online in a guide titled "Mutual Funds and ETFs: Compensation and Revenue Sharing" at http://www.citi.com/investorinfo.

## Participating Sponsors

- Lord Abbett
- Polen Capital
- Allspring Global