FORM ADV PART 2A

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June 29, 2021

This brochure (the Brochure) provides information about the qualifications and business practices of Parametric Portfolio Associates LLC (Parametric). If you have any questions about the contents of this Brochure please contact Parametric at 206 694 5575. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

Parametric is a registered investment adviser under the Investment Advisers Act of 1940 (Advisers Act). Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information from which you determine to hire or retain an adviser.

Additional information about Parametric (CRD #114310) is also available on the SEC's website at www.adviserinfo.sec.gov. The SEC's website provides information about any persons affiliated with Parametric who are registered as investment adviser representatives of Parametric.

Item 2—Material Changes

This amended Brochure, dated June 29, 2021, is an interim amendment to Parametric's annual Brochure dated January 29, 2021. In this item, Parametric is required to identify material changes made to the annual Brochure. The following changes have been made to the Brochure in this interim amendment:

Item 4 – Disclosures specific to Canadian clients of Parametric have been added.

Item 8 – A Risk disclosure regarding Borrowing Risks has been added.

Item 3—Table of Contents

Item 4—Advisory Business

Parametric Portfolio Associates LLC (Parametric) is organized as a limited liability company under the laws of the State of Delaware. Parametric has been providing investment advisory services since its formation in 1987. Parametric serves its clients through its offices located in Seattle, Minneapolis, Boston, New York City, and Westport, Connecticut. Prior to March 1, 2021, Parametric was a wholly owned subsidiary of Eaton Vance Corp. On March 1, 2021, Morgan Stanley acquired Eaton Vance Corp. and its subsidiaries, including Parametric. Parametric is now a wholly-owned subsidiary of Morgan Stanley, a publicly held company that is traded on the New York Stock Exchange (NYSE) under the ticker symbol MS. Parametric's direct owner is Eaton Vance Acquisitions LLC, a privately held subsidiary of Morgan Stanley.

Parametric is a leading global asset management firm providing various portfolio management services and investment strategies directly to institutional investors and indirectly to individual investors through financial intermediaries. Parametric's investment decision-making processes utilize proprietary technology and are guided by structured, mathematical, and rules-based methodologies. Parametric's portfolio management services and strategies assist clients in meeting their desired market exposure, risk management, tax management and return objectives in a cost-effective manner. These services may be tailored to meet specific client needs, which include but are not limited to: systematic equity portfolios, tax-managed core equity portfolios for taxable investors, fixed-income, centralized portfolio management, futures and options-based overlay services for clients seeking to securitize cash, re-balance asset allocations, managed currency and duration exposure, and specialty index strategies. Parametric collaborates with clients and their advisers to design and implement customized solutions through the application of equity, fixed-income and derivative programs. Clients may impose restrictions on investments in securities or types of securities and set additional investment guidelines as they deem necessary.

Parametric's provides investment management services through a variety of products and vehicles, These include but are not limited to: discretionary separate accounts for individual investors; U.S. registered investment funds such as mutual funds and ETFs sponsored by both affiliates and third parties; U.S. and non-U.S. collectively managed funds such as private funds, collective investment trusts, commingled trust funds, and UCITS which may be sponsored by Parametric, affiliates, or third parties.

Parametric offers a separately managed account program (the Platform) which is designed to provide financial intermediaries and their clients access to a broad array of investment strategies offered by Parametric and its advisory affiliates Atlanta Capital Management Company LLC (Atlanta Capital), Calvert Research and Management (Calvert), and Eaton Vance Management (EVM) (each affiliate a Research Provider). Under the Platform, Research Providers provide model portfolios to Parametric. Clients may select one or more investment strategies on the Platform, which are implemented in client accounts by Parametric pursuant to Parametric's normal trading practices. Parametric may deviate from a model provided by Research Provider to account for account specific considerations, such as tax-management.

Parametric provides portfolio management services to various wrap fee programs sponsored by broker-dealers, banks or other investment advisers. Parametric receives a portion of the wrap/program fee collected by the program sponsor for its services. Wrap accounts are generally managed in the same or similar manner to other separately managed accounts. However, wrap programs may impose specific restrictions and investment guidelines that are more restrictive than fully discretionary client accounts; this is discussed in the wrap program sponsor's disclosure brochure. In addition, wrap programs may mandate that Parametric's direct transactions to a specific broker-dealer, which may prevent Parametric from seeking best execution or aggregating trades. As a result, wrap accounts may not achieve the same performance as fully discretionary accounts.

Parametric provides non-discretionary investment advice through model portfolio delivery programs. Under such arrangements, Parametric provides third parties with a model portfolio. The third party retains discretion to implement, reject, or adjust such model and the third party is responsible for executing any corresponding transactions on behalf of the third party's underlying clients. Parametric does not affect or execute transactions for any underlying clients of the third party participating in the model delivery program and Parametric does not consider such underlying clients of the third party to be clients of Parametric.

Parametric claims compliance with the Global Investment Performance Standards (GIPS®). For compliance with GIPS®, the "Firm" is defined and held out to the public as Parametric Portfolio Associates LLC. The Firm provides rules-based investment management services to institutional investors, individual clients, and commingled investment vehicles, including Systematic Alpha and Income Strategies, Custom Core®, Centralized Portfolio Management, Policy Implementation Overlay Services, Customized Exposure Management, Volatility Risk Premium, Tax-Advantaged Bond Strategies and Taxable Bond Strategies. The Firm has complied with the GIPS® standards retroactive to January 1, 2000. To obtain a compliant presentation and or the Firm's list of composite descriptions, prospective clients should contact us at 206-694-5575 or visit our website, www.parametricportfolio.com.

Parametric operates several business locations, all of which are integral divisions of the firm. The locations are as follows:

- Seattle, Washington (Parametric Seattle or Seattle)
- Minneapolis, Minnesota (Parametric Minneapolis or Minneapolis)
- Westport, Connecticut (Parametric Westport or Westport)
- Boston, Massachusetts (Parametric Boston or Boston)
- New York, New York (Parametric New York or New York)

The Seattle, Minneapolis, Boston, and New York offices have customized investment policies and procedures, strategy-specific investment guidelines, separate portfolio management teams and individualized operations. Investment personnel who are located in Westport are subject to the customized investment policies and procedures of Parametric Minneapolis. For certain clients, Parametric utilizes the expertise of investment and operations personnel across more than one office.

Parametric has been granted registration as a Portfolio Manager in the Canadian provinces of Alberta, British Columbia, Manitoba, Nova Scotia, Ontario, and Quebec. The firm has also been granted registration as a Commodity Trading Manager in Ontario. Parametric advises or sub-advises qualified institutional or "permitted" clients in Canada and does so in accordance with rules and regulations set forth in National Instrument (NI) 31-103. Pursuant to Section 13.4 of NI 31-103, Parametric is obligated to inform clients of all material conflicts of interest identified by the firm. The nature and extent of material conflicts of interest identified by and known to Parametric are hereby disclosed in this Brochure. Pursuant to Section 14.2 of NI 31-103, Parametric is also required to deliver to clients all information that a reasonable investor would consider important about the client's relationship with Parametric. This Brochure and the *Non-Resident Registrant Disclosure Statement to Canadian Investors* communicates to Canadian clients all information a reasonable investor would consider important to their relationship with Parametric.

Parametric is registered as a Delegated Fund Manager by the Central Bank of Ireland. As detailed in *Item 10—Other Financial Industry Activities and Affiliations*, Parametric serves as a sub-adviser to certain affiliated, commingled funds registered with the Central Bank of Ireland.

Parametric is registered as a foreign company in Australia but is exempt from the requirement to hold an Australian financial services license under the Australian Corporations Act 2001 (Cth) (Corporations Act) in respect of the provision of financial services to wholesale clients as defined in the Corporations Act and pursuant to the Australian Securities and Investments Commission's (ASIC) Class Order 03/1100 and ASIC Corporations (Repeal and Transitional) Instrument 2016/396. Parametric has registered the name Parametric Portfolio Associates with ASIC. SEC rules and regulations may differ from Australian law. Parametric is not a licensed tax agent or adviser and does not provide tax advice in Australia or any other country. Parametric's advisory services are promoted and offered in Australia by Eaton Vance Management (International) Ltd. (EVMI), an affiliated investment adviser which maintains an office in Sydney.

Parametric Portfolio Associates LLC markets under the following names:

- Parametric Portfolio Associates LLC
- Parametric Portfolio Associates
- Parametric

As of February 28, 2021, Parametric held approximately $367.1 billion in total client assets under management (AUM). This is comprised of roughly $342.9 billion in discretionary AUM and $24.2 billion in non-discretionary AUM.

Item 5—Fees and Compensation

For investment management services provided, Parametric charges a fee to its clients. Fees are generally quoted on an annualized basis as a percentage of the client's assets under management. Parametric's standard fees and minimum account size are set forth below. The fee schedules stated below are all negotiable and vary by investment strategy, product type, account size, customization requirements and required service levels. Certain strategies offered by Parametric are available to retail investors indirectly via financial intermediaries who negotiate their fee with Parametric. Fee rates and schedules for mutual funds sub-advised by Parametric may vary and are disclosed within the applicable fund's prospectus or offering documents. Participants in wrap programs should consult the brochure provided by their wrap sponsor.

Investment Strategy	Fee Schedule	Account Minimum
Absolute Return Volatility Risk Premia	60 bps	$20,000,000
Affiliated Strategies	35-50 bps	$200,000-$450,000
Centralized Portfolio Management	23 bps	$250,000
Commodity	First $25mm: 50 bps Next $25mm: 45 bps Next $50mm: 40 bps Over $100mm: 35 bps	$15,000,000
Corporate Ladders	16 bps	$100,000
Custom Core – Equity (Domestic)	35 bps	$250,000
Custom Core – Equity (Non-U.S.)	40 bps	$250,000
Custom Core – Fixed Income	15 bps	$250,000
Defensive Equity	First $20mm: 45 bps Over $20mm: 35 bps	$20,000,000
Defensive Equity (Global)	45bps	$50,000,000
DeltaShift	45 bps	$1,000,000
Dividend Income	35 bps	$250,000
Dynamic Hedged Equity	45 bps	1,000,000
Dynamic Put Selling	First $20mm: 45 bps Over $20mm: 35 bps	$20,000,000
Elevated Beta Volatility Risk Premia	First $20mm: 45 bps Over $20mm: 35 bps	$20,000,000
Emerging Markets – Equity	First $150mm: 65 bps Next $150mm: 50 bps Over $300mm: 45 bps	$75,000,000
Emerging Markets Core – Equity	First $150mm: 45 bps Next $150mm: 40 bps Over $300mm: 35 bps	$50,000,000

Investment Strategy	Fee Schedule	Account Minimum
Enhanced Income Core	35 bps	$100,000
Enhanced Income Core Tax-Advantaged	35 bps	$100,000
Fixed Budget Put Buying	45 bps	$1,000,000
International Equity	35 bps	$10,000,000
Liability Driven Investing	First $50mm: 15 bps Above $50mm: 10 bps	None Min. quarterly fee: $18,750
Low Beta Volatility Risk Premia	First $20mm: 45 bps Over $20mm: 35 bps	$20,000,000
Low Beta Volatility Risk Premia (Global)	45 bps	$20,000,000
Multi-Asset Solutions	28 bps	$500,000
Multi-Asset Volatility Risk Premia	65bps	$10,000,000
Multi-Factor (Domestic)	First $150mm: 45 bps Next $150mm: 40 bps Over $300mm: 35 bps	$600,000
Multi-Factor (Global)	First $150mm: 18 bps Next $150mm: 16 bps Over $300mm: 13 bps	$100,000,000
Option Absolute Return Strategy (OARS)	45 bps	$1,000,000
Policy Implementation Overlay Services (PIOS)	First $50mm: 15 bps Above $50mm: 10 bps	None Min. quarterly fee: $18,750; $1,500 monthly retainer
Portfolio DeltaShift	45 bps	$1,000,000
Portfolio DeltaShift – Tax-Managed	65 bps	$2,000,000
Risk-Managed Put Selling	45 bps	$1,000,000
Tax-Advantaged Bond Strategies (TABS) Managed Municipals	17 bps	$250,000
TABS Municipal Ladders	16 bps	$250,000

Investment Strategy	Fee Schedule	Account Minimum
TABS Total Return	32 bps	$250,000
Tax-Harvest Core	20 bps	$100,000

For certain investment strategies, the index selected as a client's performance benchmark, or screens a client elects to apply to their account, will carry an additional fee for individual client use. These fees are documented in writing, and, in most cases, passed on to individual clients. These fees are charged on a percentage of client portfolio AUM or a flat fee depending on the screen, index or indexes chosen. Fees for the use of an index generally range between 0.01% and 0.10% of client AUM but are subject to change without notice.

The advisory fees charged by Parametric are confirmed in writing in the client's investment advisory agreement with Parametric. Fees across all Parametric products are typically charged as a percentage of the client portfolio's AUM as of the last business day of the quarter, but certain clients are billed based on the average month end value or average daily market value of the client's account during the applicable quarter. Cash-flows of five percent or greater are factored into the fee calculation. Parametric may assess a minimum quarterly fee to accounts that do not trade or fall below the stated asset minimum during a given period. This minimum account fee is acknowledged in the written client agreement. A reporting fee may also be charged to clients requesting enhanced or specialized reporting. This reporting fee is usually charged on a monthly basis and added to the quarterly fee. Custom fixed-fee pricing, subject to negotiation, is also available for certain additional services. Fees are generally payable quarterly in arrears but Parametric and individual clients may agree that such client may pay in advance or on a monthly basis if so desired. Clients may elect to be billed directly for fees or authorize Parametric to directly bill fees to the client's custodial account. If Parametric bills the client's custodian directly, Parametric must have written authorization from the client to invoice the custodial account and the client must receive at least quarterly statements from their custodian in order to comply with regulations.

Unless otherwise provided in an investment advisory contract, when Parametric is responsible for calculating the fees owed by a client, it will calculate the billable assets for which Parametric has investment discretion according to its internal accounting system, which may include assets for which current market prices are not available, Parametric elects to override a price of, or pending portfolio activities have not yet been fully processed. A conflict of interest exists when Parametric calculates fees based on securities it has set a fair value for as Parametric is incentivized to apply a higher valuation. Parametric has adopted valuation policies and procedures which are designed to value securities fairly, mitigating this conflict of interest. Due to fair-valued securities and pending portfolio activities, a client account's AUM calculated by Parametric may not match the account's AUM reported by the client's custodian. When this occurs over a billing period end, Parametric will calculate fees based on the AUM reflected in its accounting systems, which may differ from the AUM reported by the client's custodian if there is pending activity.

Clients or Parametric may terminate a contract for any reason. Normally, clients may cancel Parametric's services upon specified written notice (e.g., 30 days). Parametric reserves the right to waive any applicable notice period. During the period specified in the advisory contact, Parametric's ordinary fees are earned and payable unless Parametric has waived the required notice period. Parametric may terminate an investment advisory contract by giving the specified written notice to the client. Accounts initiated or terminated during a calendar quarter are charged a prorated fee. Upon termination of an account, any prepaid, unearned fees are refunded, and any earned, unpaid fees are due and payable.

Parametric has entered into various advisory agreements with investment advisers and other financial intermediaries with respect to investment programs they offer. Typically, Parametric negotiates fees with the advisers, wrap sponsors or wrap providers and not with individuals participating in such programs. However, for specialized portfolio customization, additional fees may be charged based on the size and complexity of the accounts.

Parametric reserves the right to change its standard fee schedules and absent contractual provisions to the contrary is not required to change the fee schedules of existing clients to match such updated fee schedules, even if such updated fee schedules would be more advantageous. Parametric may, at its sole discretion, offer certain clients more advantageous fee schedules than those offered to other clients for similar services provided.

Parametric's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses. Clients may incur certain charges imposed by custodians, broker-dealers and other third-parties, including but not limited to: fees charged by third-party managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, withholding fees, country tax or delivery fees, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Certain Parametric investment strategies invest in mutual funds, closed-end funds, exchange-traded notes and ETFs which charge shareholders with management fees. These fees are disclosed in the fund's or ETF's prospectus or offering memorandum. Parametric may invest client assets in mutual funds or closed-end funds offered or managed by affiliates of Parametric. The Enhanced Income strategies invest in closed-end funds sponsored and/or advised by Parametric's affiliates. The CPM strategy, as defined in *Item 8*, implements client-selected third-party manager models that may include mutual funds or closed-end funds managed by affiliates of Parametric. In addition to the advisory fee paid directly to Parametric, certain clients that hold such affiliated mutual funds or closed-end fund shares also pay a management fee indirectly to Parametric's affiliate as a fund shareholder. Parametric does not receive compensation from a mutual fund sponsor (including affiliates of Parametric) when clients invest in such mutual funds, but does receive compensation in the form of management fees where a client selected third party model includes mutual funds sub-advised by Parametric. Management fees charged to fund shareholders are incremental to Parametric's investment management fee. Clients should consider all fees and expenses prior to investing in any disciplines or securities. External legal fees incurred by Parametric on behalf of the client to establish trading accounts, or incremental fees to create specialized securities such as swaps, are billed to the client separately. Such costs are exclusive of and in addition to Parametric's fee, and Parametric does not receive any portion of these payments. Please refer to *Item 12* of this Brochure regarding Parametric's brokerage practices and various factors Parametric considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation.

Parametric generally negotiates the fees paid to us in wrap fee and sub-advised relationships directly with the sponsors of such programs, and not with individual participants. Some custody relationships require a minimum account size or annual fee. Wrap fee and sub-advisory program clients receive a brochure from the introducing sponsor detailing all aspects of the wrap fee or sub-advisory program before selecting Parametric as the sub-adviser. Fees and features of each program offered by the various introducing sponsors vary. Wrap fee or sub-advisory program clients should consult the introducing sponsor's brochure for the specific fees and features applicable to their program. For wrap or sub-advised accounts, participants generally pay the sponsor a single fee and Parametric is paid its negotiated fee rate by the introducing sponsor for advisory services, while the introducing sponsor retains the remainder of the fee for trade execution, custody, maintenance fees, and additional services.

In addition to investment advisory fees received from clients, Parametric and its employees receive or pay compensation and fees from or to affiliates for the sale of securities or other investment products. Clients do not bear additional fees associated with such payments. Parametric has entered into revenue sharing and/or solicitation agreements with affiliated firms and may enter into revenue sharing arrangements with other affiliates in the future, including Morgan Stanley affiliates. Currently, Parametric has entered into such arrangements with the following affiliates:

- Eaton Vance Distributors, Inc. (EVD), an affiliated broker-dealer and distributor of affiliated mutual funds
- EVM, an affiliated registered investment adviser
- Eaton Vance Management (International) Limited (EVMI), an affiliated investment manager registered under the United Kingdom Financial Conduct Authority

Affiliates of Parametric, including EVD, EVM and EVMI offer services and products that are cross-marketed with products and services offered by Parametric. Parametric personnel who are registered representatives of EVD receive compensation from EVD for selling affiliated products. Licensed personnel receive commissions for selling commingled funds advised or sub-advised by Parametric. In all such arrangements, Parametric and the related party or parties share the client fee. Parametric believes it adequately addresses potential conflicts of interest that may arise out of such arrangements.

As outlined in *Item 8*, Parametric offers a broad array of investment strategies across different asset classes. Many of these strategies are offered in multiple types of investment vehicles (*e.g.* separately managed account, private fund, or registered fund). The amount of compensation or commission earned by the sales personnel of Parametric and its affiliates varies across both investment strategy and investment vehicle. This could create a conflict of interest by incentivizing the sale of one strategy or investment vehicle over another. Parametric believes this potential conflict is largely mitigated through supervisory review and by the fact that Parametric's strategies are offered to or through sophisticated institutional investors and financial intermediaries.

Item 6—Performance-Based Fees and Side-By-Side Management

Performance-Based Fees

Parametric has entered into performance-based fee arrangements with a limited number of qualified clients. These arrangements are subject to negotiation with each individual client. Parametric will structure any performance or incentive-based fee arrangement subject to Section 205(a)(1) of the Advisers Act and in accordance with the exemptions available thereunder, including the exemption set forth in Rule 205-3. In measuring a client's assets for the calculation of performance-based fees, Parametric shall include realized and unrealized capital gains and losses. Although such fee arrangements may create an incentive to favor accounts subject to a performance-based fee over other accounts when allocating investment opportunities, Parametric has implemented procedures designed to ensure that all clients are treated fairly and equitably. Parametric is a rules-based manager and, as such, accounts subject to performance-based fees are integrated with all other accounts in the optimization process. The optimization process is tracked as an aid in addressing the inherent conflicts associated with the allocation of investment opportunities across all accounts, regardless of their corresponding fee structure.

The performance-based component of a fee may be negotiated for any part of the fee up to 100%. Performance-based fees are dependent on the achievement of an annualized performance objective relative to an agreed upon third-party index or benchmark (e.g., S&P 500® Index, Barclays Capital Intermediate Government Corporate Index, or 90-Day Treasury Bills). Fees for custom-designed or specialized strategies, and strategies comprised of more than one Parametric product are negotiable and are dependent upon the degree of complexity and creativity involved, the expected time period over which the service is to be performed, and the value of portfolio assets to be managed.

Side-by-Side Management

Parametric provides investment advisory services to clients through various investment vehicles. Parametric client assets invested in the same or similar strategies are held in separately managed accounts (SMAs) or commingled in a private fund, mutual fund or other registered fund (collectively Funds). This gives rise to potential conflicts of interest since Parametric has an incentive to favor certain accounts over others. Examples of this include:

- Allocating favored investment opportunities to larger accounts or relationships which pay more fees in the aggregate than smaller accounts or relationships.
- Allocating favored investment opportunities to accounts with performance-based fees or higher fee schedules than other accounts.
- The portfolio manager allocating more time and attention to accounts with higher fee rates or larger aggregate fee amounts.
- Allocating investment opportunities to accounts or funds where an employee, Parametric, or an affiliate has a proprietary interest.

- Trades get executed for an account or client that may adversely impact the value of securities held by a different account or client.
- If there is limited availability of an investment opportunity, Parametric may not be able to allocate such opportunity to all eligible SMAs or Funds which could have otherwise participated in the investment opportunity
- Trading and securities selected for a particular SMA or Fund cause differences in the performance of other SMAs or Funds that have similar strategies.

Parametric and affiliates have adopted trade allocation procedures and monitors performance to help ensure Parametric's portfolio managers do not favor certain clients or accounts over each other and there is fair and equitable treatment of all clients and accounts over time. Please see *Item12 – Brokerage Practices* for more details on our trading practices. During periods of unusual market conditions, Parametric may deviate from its stated trade allocation practices. There is no assurance, however, that all conflicts have been or may be identified or addressed for all situations.

Item 7—Types of Clients

Parametric provides portfolio management services to a range of client types, including: individuals; high net-worth individuals; corporations; corporate pension and profit-sharing plans; Taft-Hartley plans; banking and thrift institutions; charitable institutions, foundations and endowments; state, municipal and federal government entities; registered investment companies; trust programs; other investment advisers; sovereign funds; foreign registered and private funds; other pooled investment vehicles; other U.S. and international institutions. Account minimums vary, depending on the channels clients access our services through. For example, clients opening an account through a wrap fee program or sub-advisory relationship may have lower minimums than clients opening a direct account with Parametric. Parametric generally has a minimum account size of $10 million for opening a direct account. Parametric reserves the right to waive account minimums at its discretion. Parametric serves U.S. clients with assets maintained by qualified custodians in the U.S. Parametric may accept certain non-U.S. clients, in its sole discretion, in accordance with all applicable laws.

Parametric does not generally engage retail clients directly. Retail investors may access Parametric's advisory services by investing in registered investment companies sub-advised by Parametric or they can engage Parametric indirectly via their investment advisor or financial consultant, broker-dealers, and other financial intermediaries (each an Advisor). Parametric's contractual relationship with retail clients is documented pursuant to a sub-advisory agreement between Parametric and their Advisor or a dual- or tri-party agreement to which Parametric is a party. Subject to the terms and conditions of the applicable agreement between Parametric and a client's Advisor, Parametric may refuse to accept a client for any reason. It is the responsibility of the client or their Advisor to evaluate the client's investment objectives, risks tolerance and financial standing and determine a suitable asset allocation for the client. Parametric ensures that its discretionary investment decisions are suitable according to the mandate for which it is hired. While Parametric may receive detailed client information either directly from the client or from the client's Advisor, such information is used solely as background information for Parametric to familiarize itself with the client, and by accepting a retail client, Parametric does not imply or acknowledge that it has determined that the applicable strategy chosen by the client's Advisor is suitable for the client.

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

Methods of Analysis

In providing investment advisory services to its clients, Parametric utilizes structured, mathematical and rules-based methods of analysis. Parametric has designed proprietary models and technology that guide its investment decision-making processes. Investment strategies employed are generally customized to address the specific needs of the client. For example, equity portfolios are typically constructed using only the securities from a benchmark selected by the client. Fixed income portfolios are typically constructed using only bonds with a certain credit quality or duration set by the client. For an account using an overlay strategy, the securities or derivatives selected for inclusion are based on the client's underlying portfolio. Parametric's rules-based methodologies consider risks, expenses, taxes and other portfolio characteristics when making investment decisions.

Investment Strategies

Parametric offers a variety of quantitative, rules-based, risk-managed investment strategies to address the specific investment objectives of its clients. In pursuing these strategies, Parametric may invest in a wide range of securities and other financial instruments across various asset classes.

Parametric's significant investment strategies are described below. The descriptions are summaries and are not intended to be comprehensive. Parametric implements its investment strategies on behalf of individual and institutional investors, each of which may have their own set of investment objectives, restrictions, tax considerations and risk tolerances. Parametric may modify a strategy to meet the specific needs of a client. Each strategy is subject to certain risks as described later in this Item 8.

Absolute Return Volatility Risk Premia

The Parametric Absolute Return Volatility Risk Premia strategy is designed to capitalize on the observed historical tendency for equity index option premiums to trade at implied volatility levels that exceed the subsequent level of actual (i.e., realized) market volatility. The strategy seeks to generate absolute returns by selling an approximately equal blend of equity index calls and puts collateralized by a portfolio of Treasury securities. Accounts may be funded or unfunded. Additionally, the account may be customized to have less derivatives exposure therefore less return potential and less risk than the standard design. For funded accounts, the strategy consists of a core position in US Treasury securities fully collateralizing short options positions. Its objective is to outperform the base portfolio of short-term US Treasury securities. Unfunded accounts consist of short positions in S&P 500® Index options collateralized by margin eligible assets owned by the client. For unfunded accounts, the objective is absolute positive return. Notwithstanding the strategy's objective, a sharp appreciation or depreciation of the underlying index over a short period of time may result in significant losses. For unfunded accounts, such movement may require significant cash to be contributed to the portfolio to satisfy portfolio obligations. A sharp appreciation or depreciation can result from various causes including but not limited to: (i) news announcements or economic data concerning the US or global economy or specific sectors or issuers; (ii) political risk; (iii) rational or irrational market behavior; or (iv) real or perceived liquidity crisis.

Affiliated Strategies

The Platform utilizes models provided by the Research Providers. All of the strategies currently available to clients on the Platform are equity strategies but may be expanded in the future to include other asset classes such as fixed income. As the centralized portfolio manager, Parametric will implement the Research Provider strategy(s) selected by the client. Parametric shall be ultimately responsible account rebalances, enhanced tax lot management, managing risk relative to the client's asset allocation, and implementing any client specific considerations and may deviate from the Research Provider model due to these factors. There are certain conflicts of interest associated with the provision of models by Research Providers. Research Providers may offer the same strategies to their own clients, or may provide the same model to other third parties. This creates conflicts of interest, such as the timing of model delivery versus when a Research Provider trades on behalf of their own clients or the timing around the sequencing of model delivery to multiple recipients. The Research Providers have adopted practices to monitor and mitigate such conflicts of interest and to ensure fair and equitable treatment over time. As applicable, these practices include trade monitoring or the implementation of model rotations under which the Research Provider alternates the delivery of model updates to recipients.

The Research Providers are each investment advisers registered with the SEC. Information about a Research Provider's investment strategies and business activities is provided in each respective Research Provider's Form ADV Part 2A which are available at https://adviserinfo.sec.gov/

Centralized Portfolio Management

Centralized Portfolio Management (CPM) is an investment management process that is customized to address the investment objective, risk tolerance, and tax considerations of each client. The investment objective of a CPM portfolio is to provide—within a single coordinated portfolio—the pre-tax return of a combination of asset managers or styles while seeking to maintain control over total portfolio risk, costs and taxes. CPM utilizes the expertise of multiple third-party managers who deliver their investment recommendations for their respective asset class to Parametric, who then serves as the centralized portfolio manager. Third party manager allocation is generally designated by the client's financial advisor or other fiduciary. Parametric considers all of the third-party managers' recommendations and, using proprietary technology, executes trades that best serve the overall portfolio's needs. The benefits of CPM include coordinated account rebalancing, enhanced tax lot management and processes designed to control risk relative to the client asset allocation. CPM portfolios generally invest exclusively in equity securities, including mutual funds and exchange-traded funds, but may also invest in other security types to the extent that the customized strategy permits the use of non-equity securities. The specific risks associated with a

CPM portfolio depend on the client's investment objective and the types of securities and instruments used to achieve that client's investment objective.

Commodity

The Parametric Commodity strategy invests primarily in a portfolio comprised of commodity futures contracts, which are backed by cash or U.S. Treasury securities as collateral. The investment objective of this strategy is to provide a broad-based, long-only portfolio of commodities to capture the potential diversifying and inflation-fighting characteristics of the asset class.

Corporate Ladders

Parametric offers Corporate Ladders, customized, professionally managed portfolios which seek predictable income and capital preservation by investing in high-quality corporate bonds. A Corporate Ladder portfolio may invest in below-investment-grade corporate bonds if directed by the client. A laddered portfolio targets equally weighted maturity exposure over a specified yield curve range. A fixed percentage of a portfolio's bonds mature or roll out each year and the proceeds are reinvested on the longer end of the ladder. Alternatively, clients can elect to take proceeds in cash. The ladder structure can provide the opportunity to increase returns in rising interest rate scenarios. Even maturities provide stable annual income. Corporate Ladder portfolios are diversified by sector and have limits on individual issuer exposure to help mitigate risks. Corporate Ladders can be customized per the client's objectives and needs, by duration, credit quality, sector restrictions, coupon income, maturing bond principal and ESG preferences. Proprietary credit analysis is used to identify corporate bonds for investment and credit analysts provide continuous monitoring of issuers and fixed income markets.

Custom Core®

Parametric offers Custom Core® equity and fixed income strategies to taxable and non-taxable investors. In Australia, Custom Core® is offered as Tax-Managed Indexing or TMI. The investment objective of each taxable Custom Core® strategy is to provide exposure to a client selected market segment while maximizing after-tax returns. For taxable accounts, Parametric seeks to minimize net realized capital gains to provide improved returns over the designated benchmark on an after-tax basis. This is achieved by utilizing tax-efficient trading methodologies such as tax-loss harvesting whenever possible. Tax-loss harvesting means selling a security that has lost value in order to offset capital gains on the investor's tax return. In order to preserve a "harvested" loss in the U.S., Parametric will seek to avoid transactions which may cause a violation of applicable wash sale rules. Non-taxable Custom Core® accounts seek to provide an exposure similar to the client's specified model or market segment while incorporating client specific customizations or restrictions. Custom Core® strategies can be benchmarked to any standard or customized index, including but not limited to the S&P 500®, the Russell 1000®, MSCI EAFE® and Bloomberg Barclays Intermediate U.S. Corporate Bond. Custom Core® strategies typically invest directly in a subset of the securities which make up the designated benchmark. Custom Core® strategies generally invest in equity or fixed income securities but may also invest in other securities to the extent they are a constituent of the designated benchmark.

Custom Core® strategies can be implemented via individual separately managed accounts, which can be customized to meet the unique needs of each client, or in a pooled or commingled investment vehicle. In addition to enhanced tax management as described above, Custom Core® portfolios can also be customized based on responsible investing principles. As directed by the client or their advisor, Parametric can construct a "socially responsible" Custom Core® portfolio based on environmental, social and governance criteria (ESG) using screens and/or tilts that remove or underweight targeted issuers, sectors or industries. Custom Core® equity portfolios can also be customized by emphasizing factor exposures such as issuer size, value, momentum, quality, low volatility and dividend yield (Factors). By introducing a systematic bias towards these Factors, the strategy seeks additional return opportunities and attractive risk profiles. When managing and presenting performance for Custom Core portfolios that have been customized based on ESG principals or Factors, Parametric utilizes internal models as benchmarks to measure client performance. When applying ESG screens or Factors tilts to a client portfolio, a large number of index constituents may be excluded for investment. As such, comparing an ESG or Factor account to a broad-based index is not as meaningful to the client and their adviser. For this reason, Parametric will present the internal, target benchmark performance when providing performance reports for ESG and Factor portfolios as they serve as a more meaningful gauge for assessing account performance and tracking error. Clients may request their performance be reported against a standard index. Similar to indexes, internal models are hypothetical and do not reflect the deduction of fees or expenses. Unlike indexes, Parametric investment personnel are responsible for maintaining the internal models and calculating their performance. This creates a potential conflict of interest, as Parametric may be incentivized to manipulate the constitution of a target benchmark in order to make client performance appear stronger. To mitigate such a conflict of interest, Parametric has adopted governance oversight and has adopted procedures which limits reconstitution of the model to specific timeframes or for certain limited events.

When calculating after-tax returns for U.S. accounts, Parametric applies the client's individual tax rate (which may include federal and state income taxes) as provided by the client. If the individual tax rate is not provided by the client, Parametric applies the highest U.S. federal tax rates. Applying the highest U.S. federal tax rate may cause the after-tax performance shown to be different than an investor's actual experience. There is a material risk that investors' actual tax rates, the presence of current or future capital loss carryforwards, and other investor tax circumstances may materially and negatively affect the investor's actual returns.

Defensive Equity

The Defensive Equity strategy uses derivatives in combination with equities and Treasury securities in seeking to produce significantly lower return volatility and consistently favorable risk-adjusted returns compared to a fully invested equity portfolio. Over a full market cycle, the return objective of the strategy is to outperform a fully invested equity portfolio with reduced volatility. The Defensive Equity strategy creates implicit downside protection through a core position in the designated index and Treasury securities, combined with fully collateralized short equity index call and put options. The strategy does not utilize leverage. The Defensive Equity strategy uses a disciplined implementation process that adapts to changing market volatility without the need for market timing or forecasts. Customized versions of the Defensive Equity strategy may use responsible investing equity indexes or equity screening. Such versions include: Parametric Calvert ESG Defensive Equity,

DeltaShift and Portfolio DeltaShift

The DeltaShift strategy is a managed call writing program for investors who hold concentrated stock positions or equity or ETF portfolios. The DeltaShift strategy seeks to improve expected performance through the sale of equity or equity index call options. Portfolio volatility is reduced in exchange for the willingness to limit upside profit potential. Notwithstanding the strategy's objective, a sharp appreciation of a call option's underlying over a period of time may result in significant losses that could require the sale of some or all of the portfolio's shares or require for significant cash to be contributed to the portfolio to avoid the sale of such shares. A sharp appreciation can result from various causes including but not limited to: (i) positive news announcements concerning an issuer, sector or economy; (ii) better than expected earnings announcements; (iii) changes of analysts' expectations or ratings; or (iv) certain corporate actions including dividends, mergers and acquisitions.

Dividend Income

The Dividend Income strategy seeks to outperform a capitalization-weighted index by investing in a portfolio that is less concentrated and bears lower expected risk. To achieve this objective, Parametric uses a modified equal-weight approach with systematic rebalancing. The strategy invests in a diversified portfolio of equity securities of companies domiciled in the U.S. The strategy constructs portfolios consisting of approximately 200 securities. Sectors are equal-weighted and generally consist of 20-25 securities. The investment objective of the Parametric Dividend Income strategy is to seek a portfolio of durable dividend payers to provide a steady source of dividend income while outperforming the designated index on a total return basis by one to two percent.

Dynamic Hedged Equity

The Dynamic Hedged Equity strategy employs a systematic hedging strategy to their existing equity portfolios. The strategy seeks to reduce portfolio risk and volatility through the purchase of index put options and the sale of index call options in a repeatable, methodical manner.

Dynamic Put Selling

The Dynamic Put Selling strategy (DPS) seeks to produce positive absolute returns in all but significant down markets. DPS accounts may be funded or unfunded. For funded DPS accounts, the strategy consists of a core position in US Treasury securities, fully collateralizing short positions in S&P 500® Index put options. Its objective is to outperform the base portfolio of short-term US Treasury securities over a full market cycle with less volatility of the S&P 500. Unfunded DPS consists of short positions in S&P 500 Index put options collateralized by margin eligible assets owned by the client. For unfunded DPS accounts, the objective is absolute positive return. Notwithstanding the strategy's objective, a sharp depreciation of the underlying index over a short period of time may result in significant losses. For unfunded DPS, such movement may require significant cash to be contributed to the portfolio to satisfy portfolio obligations. A sharp depreciation can result from various causes including but not limited to: (i) news announcements or economic data concerning the US or global economy or specific sectors or issuers; (ii) political risk; (iii) rational or irrational market behavior; or (iv) real or perceived liquidity crisis.

Elevated Beta VRP

The Elevated Beta VRP strategy is designed to capitalize on the tendency of implied volatility to exceed subsequent realized volatility. The strategy creates implicit downside protection through a core position in the S&P 500® and Treasury securities, and then systematically sells an equal blend of equity index and put options to capture the options-based volatility risk premium. The notional value of options is not expected to exceed the portfolio's market value. This strategy is designed to increase portfolio diversification at a lower cost than traditional alternative investments, without sacrificing liquidity.

Emerging Markets Equity

The Emerging Markets Equity strategy seeks to outperform a capitalization-weighted index by investing in a portfolio that is less concentrated and bears lower expected risk. To achieve this objective, Parametric uses a modified equal-weight approach with systematic rebalancing. The strategy invests in a diversified portfolio of equity securities of companies located in emerging and frontier market countries. Emerging and frontier market countries are generally countries not considered to be developed market countries, and therefore are not included in the MSCI World Index. There are two investment disciplines: the Emerging Markets strategy, which emphasizes broad coverage and diversification among emerging and frontier market securities (primarily equities) using a four-tiered investment allocation approach designed to allow for greater exposure to smaller markets; and the Emerging Markets Core strategy, which emphasizes exposure and diversification among the top three of the four tiers of designated developed market countries. Portfolios invested in the Parametric Emerging Markets Equity strategy are designed to capture returns with less volatility and concentration risk than the benchmark. The investment objective of this strategy is to buy and hold securities that are representative of the major industries within each market in order to participate in the potential growth of these markets.

Closed-End Funds
Enhanced Income Core and Enhanced Income Core Tax-Advantaged

The Enhanced Income and Closed-End Fund strategies invest in portfolios of closed-end funds (CEFs) and exchange-traded funds (ETFs) across multiple asset classes. The strategies use an engineered, rules-based approach with systematic reconstitution, and are designed to provide a high level of return and the ability to target an investor's particular income needs. The Enhanced Income strategy typically holds a larger portfolio of securities than the Enhanced Income Core strategy. The Enhanced Income Core Tax-Advantaged strategy applies tax management, such as tax-loss harvesting, in seeking after-tax excess returns. The

Enhanced Income strategies may invest in CEFs offered by affiliates. Parametric and EVM have implemented an ethical-wall policy that is designed to prevent Parametric's investment personnel from accessing confidential information from EVM regarding its CEFs. All CEFs and ETFs charge their shareholders management fees. In addition to the advisory fee paid directly to Parametric, certain clients holding shares of CEFs sponsored or advised by affiliates also pay a management fee indirectly to the affiliate as a fund shareholder. Parametric does not receive any compensation from its affiliates when its clients invest in such CEFs. CEFs are less liquid than other equity securities. As such, it is common for Parametric to step-out trade orders for CEFs. For additional information about Parametric's brokerage practices, see *Item 12* of this Brochure.

Fixed Budget Put Buying

The objective of the Fixed Budget Put Buying strategy is to protect the investor from short term, sharp downward moves in the underlying index. The strategy seeks to hedge the relative value (rather than absolute value) of the reference portfolio against sharp depreciation in the market over short periods of time using a laddered, purchased put equity index option overlay. In case the reference portfolio appreciates, the strategy will likely result in a loss (though limited to the annual put premium budget). The strategy may not succeed in its objective in a low volatility, consistently depreciating market. In addition, due to basis risk between the strategy index and portfolio, there exists the chance that the client's portfolio could depreciate but the strategy's underlying index does not appreciate as much and the client may experience loss in their equity portfolio while the hedge does not pay off by an offsetting amount.

Global Defensive Equity

The Global Defensive Equity (GDE) strategy seeks to achieve attractive risk-adjusted returns relative to the MSCI ACWI℠ Index across all market environments. The strategy structurally reduces equity market risk, while adding a relatively uncorrelated risk premium using derivatives to enhance returns. GDE portfolios are constructed and managed to capitalize on the financial "volatility risk premium" that has historically been embedded in index option prices. GDE creates implicit downside protection through a core asset allocation that is split between equity and U.S. Treasury Bills. Equity index call and put options are then sold against these core positions. All short option positions are fully-collateralized in order to eliminate any potential leverage.

International Equity

The International Equity strategy seeks to outperform a capitalization-weighted index by investing in a portfolio that is less concentrated and bears lower expected risk. To achieve this objective, Parametric uses a modified equal-weight approach with systematic rebalancing. The strategy invests primarily in a diversified portfolio of equity securities of companies domiciled in developed markets outside of the U.S. The strategy may also invest in equity securities of companies located in emerging market countries. The strategy's primary investment objective is to seek long-term capital appreciation by investing in securities which are representative of the major industries within each market in order to participate in the potential growth of these markets. The Parametric International Equity strategy is also offered in a tax-managed account.

Liability Driven Investing

Parametric's Liability Driven Investing (LDI) strategy is intended to assist pension plan clients in the design and implementation of a plan that seeks to reduce risk and manage pension surplus volatility within a defined range. The strategy seeks to manage the key drivers of pension surplus volatility through the use of Treasury futures, interest rate swaps, swaptions, nominal Treasuries, STRIPs and Investment Grade Bonds. Parametric seeks to incorporate the client's objectives and constraints in the design, implementation and ongoing management of a custom LDI risk management solution. The implementation of the LDI strategy is unique to each individual pension plan and each has each has its own total surplus risk exposure depending on funding levels, plan provisions, stage of the plan's lifecycle, and willingness to take on risk to close funding gaps. Performance of the LDI solution must be viewed in light of the overall investment strategy and the matching/mismatching qualities of the total asset portfolio against liabilities. While overall surplus risk is reduced through an LDI solution, the strategy does not guarantee that it will perform better than other strategies in all cases. The specific risks associated with each LDI solution depend on the client's pension plan design and implementation and the types of instruments used to achieve that client's LDI objective.

Low Beta VRP
Global Low Beta VRP

The Low Beta VRP strategy is designed to systematically capture a distinct and diversifying volatility risk premium. The strategy follows a transparent, rules-based investment process that targets an equity beta comparable to hedge funds, without the use of leverage. The strategy employs a mix of fully collateralized S&P 500® index put and call options to seek increased returns without increased risk. The Global Low Beta VRP strategy employs a mix of global equity index put and call options to capture the volatility risk premium.

Multi-Asset Solutions

Parametric offers Multi-Asset Solutions to investors who are seeking equity and fixed income exposure in a single portfolio customized pursuant to the client's unique investment objectives. Implemented in a separately managed account, a Multi-Asset Solutions portfolio may include equity securities, fixed income securities, exchange-traded funds or mutual funds. Parametric manages the entire portfolio and, if fixed income securities are selected, it coordinates management of the fixed-income allocation internally or with any third-party fixed-income manager. The allocations to equity and fixed income securities are set by the client and/or their advisor.

Multi-Asset Volatility Risk Premia

The Parametric Multi-Asset Volatility Risk Premia strategy is designed to capitalize on the observed historical tendency for option premiums across multiple asset classes to trade at implied volatility levels that exceed the subsequent level of actual (i.e. realized) market volatility. The strategy seeks, primarily, to capture volatility risk premium generally across four asset classes – equities, fixed income, commodities and currencies – by selling (i.e., writing) call and put options to buyers seeking financial insurance in exchange for a premium, or payment, from the option buyer.

Multi-Factor Core

Parametric offers the U.S. Multi-Factor strategy and Global Multi-Factor strategy, each of which is designed to provide risk-controlled and diversified exposure to multiple investment factors and seeks to outperform a capitalization-weighted index over the long run. To achieve this objective, Parametric uses a diversified portfolio of stocks that targets four investment themes: quality, momentum, value, and low volatility. The strategies are constructed using an integrated optimization approach, and targets equal risk exposure to each of the factors while also tilting toward factors with strong recent performance.

Option Absolute Return Strategy

The Option Absolute Return strategy (OARS) is designed to serve as an overlay solution for a client's underlying equity or bond portfolio. An OARS portfolio seeks to generate excess returns through the sale of index call spreads and index put spreads. Notwithstanding the strategy's objective, a sharp appreciation or depreciation of the underlying index over a short period of time may result in significant losses (still generally limited to the maximum 28 day drawdown identified in the Investment Management Agreement). Such movement may require for significant cash to be contributed to the portfolio to satisfy portfolio obligations. A sharp appreciation or depreciation can result from various causes including but not limited to: (i) news announcements or economic data concerning the U.S. or global economy or specific sectors or issuers; (ii) political risk; (iii) rational or irrational market behavior; or (iv) real or perceived liquidity crisis.

Policy Implementation Overlay Services (PIOS®)

PIOS® is a comprehensive set of custom overlay strategies designed to achieve investment objectives through information technology and adherence to detailed investment management guidelines. The program's objectives are to increase expected portfolio returns, improve fund liquidity, and reduce performance risk relative to policy benchmarks. PIOS® is intended to be a risk neutral strategy relative to the target mix defined by the client. When a PIOS® portfolio is combined with a client's underlying portfolio, it is expected to produce volatility similar to that of the benchmark portfolio. Overlays of client designated "cash equivalent" positions may also be a part of the program. Leverage is not employed unless desired by the client. Clients may use PIOS® for cash securitization, rebalancing, transition management, interest rate management currency management and other exposure management positions as needed based on client objectives. PIOS® utilizes exchange-traded instruments, over-the-counter (OTC) instruments, and other financial products to achieve its objective.

Risk-Managed Put Selling

The Risk-Managed Put Selling strategy (RPS) seeks to generate excess returns through the sale of index put spreads. It is designed to serve as an overlay solution for a client's underlying bond portfolio. Notwithstanding the strategy's objective, a sharp depreciation of the underlying index over a short period of time may result in significant losses (still generally limited to the maximum 28 day drawdown identified in the Investment Management Agreement). Such movement may require for significant cash to be contributed to the portfolio to satisfy portfolio obligations. A sharp depreciation can result from various causes including but not limited to: (i) news announcements or economic data concerning the US or global economy or specific sectors or issuers; (ii) political risk; (iii) rational or irrational market behavior; or (iv) real or perceived liquidity crisis.

Tax-Advantaged Bond Strategies (TABS) Municipal Ladders

Parametric offers TABS Municipal Ladders, customized, professionally managed National or State portfolios which seek to generate predictable tax-free income and capital preservation by investing in a diversified portfolio of high-quality municipal bonds. A TABS Municipal Ladders portfolio generally targets about equally weighted maturity exposure over a specified yield curve range. A fixed percentage of a portfolio's bonds mature, or roll out, each year and the proceeds are reinvested on the longer end of the ladder. The strategy seeks to minimize the impact of interest-rate risk by reinvesting maturing bond proceeds at higher interest rates. The firm uses relative value analysis and institutional purchasing power to buy attractively priced bonds. All bonds are systematically analyzed using the firm's proprietary credit analysis that seeks to avoid potential problems and uncover potential value. A TABS Municipal Ladder portfolio can be customized to meet a client's risk considerations by adjusting the maturity range, duration, credit quality and state concentration.

TABS Managed Municipals

Parametric offers TABS Managed Municipals, actively managed National or State portfolios which seek tax-free income and capital preservation by investing in a diversified portfolio of high-quality municipal bonds across varying duration ranges. The strategy takes an opportunistic approach to the municipal bond market. The strategy seeks to add value by purchasing bonds on the institutional bid side while selling on the retail offer side. The strategy also seeks to add value by taking advantage of long-term credit trends and adjusting positioning along the yield curve. All bonds are systematically analyzed using the firm's proprietary credit analysis that seeks to avoid potential problems and uncover potential value. Clients can select one of three TABS Managed Municipal strategies which differ only by the duration target of the portfolio (short, intermediate, or long average duration).

TABS Total Return

Parametric offers TABS Total Return, actively managed National portfolios which seek after-tax total return while seeking to preserve capital by investing in a diversified portfolio of high-quality municipal bonds and U.S. government and/or agency securities. TABS Total Return employs a quantitative investment process to systematically determine asset allocation based on after-tax relative value. The strategy seeks to add value by purchasing bonds on the institutional bid side while selling on the retail offer side. TABS Total Return seeks to add value by adjusting the portfolio along the yield curve to benefit from yield curve forecasts. When municipal bonds become overvalued, the strategy will crossover into taxable U.S. government and/or agency securities. All investments are systematically analyzed using the firm's proprietary credit analysis that seeks to avoid potential problems and uncover potential value. Clients can select one of three TABS Total Return strategies which vary by duration target (limited, intermediate or long duration).

Tax Harvest Core

The Tax Harvest Core strategy invests exclusively in exchange-traded funds (ETFs). The strategy's investment objective is to achieve performance similar to the client selected index and to add value after taxes through systematic loss harvesting. A Tax Harvest Core portfolio is constructed with 11 sector ETFs. Each ETF is held near the same weight that the sector makes up in the client selected index. ETFs are selected based on their tracking to the underlying sector, expense ratio, and liquidity. ETFs are sold when the value of a tax lot falls by a certain loss threshold percentage. For each sector ETF in the strategy, there will be an alternate or backup sector ETF that Parametric can use as a replacement security during the wash sale period. For purposes of ongoing management, the backup sector ETF will be held indefinitely if the backup sector ETF tax lot never falls by more than the predetermined loss threshold.

Summary of Material Risks

All investment and trading activities risk the loss of capital and no assurance can be given that the investment activities of a client's account will achieve the investment objectives of such account or avoid losses. Direct and indirect investing in securities involves risk of loss that clients should be prepared to bear.

Set forth below are some of the material risk factors that are often associated with the types of investment strategies, techniques and types of securities relevant to many Parametric clients. The information included in this Brochure does not include every potential risk associated with an investment strategy, technique, or type of security applicable to a particular client's account. Clients are urged to ask questions regarding risks applicable to a particular strategy or investment product, read all product-specific risk disclosures and consult with their own legal, tax, and financial professionals to determine whether a particular investment strategy or type of security is suitable for their account in light of their specific circumstances, investment objectives and financial situation.

Active Management Risk: The success of a client's account that is actively managed depends upon the investment skills and analytical abilities of the portfolio manager to develop and effectively implement strategies that achieve the client's investment objective. Subjective decisions made by the portfolio manager may cause a client portfolio to incur losses or to miss profit opportunities on which it may have otherwise capitalized.

Allocation and Position Limits Risk: A client account's performance depends upon how its assets are allocated and reallocated, and an investor could lose money as a result of these allocation decisions and related constraints. Parametric may be subject, by applicable regulation or issuer limitations, to restrictions on the percentage of an issuer which may be held. For purposes of calculating positions, Parametric may have to aggregate its positions with those of its affiliates. In such situations, Parametric may be limited in its ability to purchase further securities for its clients, even if the applicable position limit is not exceeded by positions Parametric has purchased on behalf of its clients. In addition, the CFTC and the exchanges on which commodity interests (futures, options on futures and swaps) are traded may impose limitations governing the maximum number of positions on the same side of the market and involving the same underlying instrument that may be held by a single investor or group of related investors, whether acting alone or in concert with others (regardless of whether such contracts are held on the same or different exchanges or held or written in one or more accounts or through one or more brokers). A portfolio manager may trade for multiple accounts and the commodity interest positions of all such accounts will generally be required to be aggregated for purposes of determining compliance with position limits, position reporting and position "accountability" rules imposed by the CFTC or the various exchanges. Swaps positions in physical commodity swaps that are "economically equivalent" to futures and options on futures held by an account and similar accounts may also in the future be included in determining compliance with federal position rules, and the exchanges may impose their own rules covering these and other types of swaps. These trading and position limits, and any aggregation requirement, could materially limit the commodity interest positions the portfolio manager may take for an account and may cause the portfolio manager to close out an account's positions earlier than it might otherwise choose to do so.

Borrowing Risk*:* Using borrowed money (whether through a margin account or any other method of borrowing) to finance the purchase of securities involves greater risk than using cash resources only. This practice may not be suitable for all investors. The purchase of securities using borrowed money magnifies the gain or loss on the cash invested. This effect is called leveraging. If you borrow money to purchase securities, you are responsible for repaying the loan and paying interest as required even if the value of the securities purchased with borrowed money declines. In the case of a margin account, you are also required to satisfy any margin calls as required by the terms of the margin facility granted to you.

Business Continuity Risk: Parametric and its affiliates have developed a Business Continuity Program (the BC Program) that is designed to minimize the impact of adverse events that affect Parametric or its affiliates' ability to carry on normal business operations. Such adverse events include, but are not limited to, natural disasters, outbreaks of pandemic and epidemic diseases (such as the current COVID-19 pandemic), terrorism, acts of governments, any act of declared or undeclared war, power shortages or failures, utility or communication failure or delays, labor disputes, strikes, shortages, supply shortages, and system failures or malfunctions. While Parametric believes the BC Program should allow it to resume normal business operations in a timely manner following an adverse event, there are inherent limitations in such programs, including the possibility that the BC Program does not anticipate all contingencies or procedures do not work as intended. Vendors and service providers to Parametric and its affiliates may also be affected by adverse events and are subject to the same risks that their respective business continuity plans do not cover all contingencies. In the event the BC Program at Parametric or similar programs at vendors and service providers do not adequately address all contingencies, client portfolios may be negatively affected as there may be an inability to process transactions, calculate net asset values, value client investments, or disruptions to trading in client accounts. A client's ability to recover any losses or expenses it incurs as a result of a disruption of business operations may be limited by the liability, standard of care, and related provisions in its contractual agreements with Parametric and other service providers.

Call Risk: Fixed income securities will be subject to the risk that an issuer may exercise its right to redeem a fixed income security earlier than expected (a call). Issuers may call outstanding securities prior to their maturity for a number of reasons (e.g., declining interest rates, changes in credit spreads and improvements in the issuer's credit quality). If an issuer calls a security that a client holds, the client may not recoup the full amount of its initial investment or may not realize the full anticipated earnings from the investment and may be forced to reinvest in lower-yielding securities, securities with greater credit risks or securities with other, less favorable features.

Commodities Risk**:** The value of commodities investments will generally be affected by overall market movements and factors specific to a particular industry or commodity, such as weather, embargoes, tariffs, health, political, international and regulatory developments. Economic and other events (whether real or perceived) can reduce the demand for commodities, which may reduce market prices and cause the value of a client portfolio to fall. The frequency and magnitude of such changes cannot be predicted. Exposure to commodities and commodities markets may subject a client portfolio to greater volatility than investments in traditional securities. No active trading market may exist for certain commodities investments, which may impair the ability to sell or to realize the full value of such investments in the event of the need to liquidate such investments. In addition, adverse market conditions may impair the liquidity of actively traded commodities investments. Certain types of commodities instruments (such as total return swaps and commodity-linked notes) are subject to the risk that the counterparty to the instrument will not perform or will be unable to perform in accordance with the terms of the instrument.

Concentration Risk**:** A strategy that concentrates its investments in a particular sector of the market (such as the utilities or financial services sectors) or a specific geographic area (such as a country or state) may be impacted by events that adversely affect that sector or area, and the value of a portfolio using such a strategy may fluctuate more than a less concentrated portfolio.

Corporate Debt Risk: Corporate debt securities are subject to the risk of the issuer's inability to meet principal and interest payments on the obligation and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity. When interest rates rise, the value of corporate debt securities can be expected to decline. Debt securities with longer maturities tend to be more sensitive to interest rate movements than those with shorter maturities. Company defaults can impact the level of returns generated by corporate debt securities.

An unexpected default can reduce income and the capital value of a corporate debt security. Furthermore, market expectations regarding economic conditions and the likely number of corporate defaults may impact the value of corporate debt securities.

Counterparty Risk: A financial institution or other counterparty with whom an investor does business (such as trading or securities lending), or that underwrites, distributes or guarantees any investments or contracts that an investor owns or is otherwise exposed to, may decline in financial condition and become unable to honor its commitments. This could cause the value of an investor's portfolio to decline or could delay the return or delivery of collateral or other assets to the investor. Although there can be no assurance that an investor will be able to do so, the investor may be able to reduce or eliminate its exposure under a swap agreement either by assignment or other disposition, or by entering into an offsetting swap agreement with the same party or another creditworthy party. The investor may have limited ability to eliminate its exposure under a credit default swap if the credit of the referenced entity or underlying asset has declined.

Credit Risk**:** Debt obligations are subject to the risk of non-payment of scheduled principal and interest. Changes in economic conditions or other circumstances may reduce the capacity of the party obligated to make principal and interest payments on such instruments and may lead to defaults. Such non-payments and defaults may reduce the value of, or income distributions from, a client portfolio. The value of a fixed income security also may decline because of concerns about the issuer's ability to make principal and interest payments. In addition, the credit ratings of debt obligations may be lowered if the financial condition of the party obligated to make payments with respect to such instruments changes. Credit ratings assigned by rating agencies are based on a number of factors and do not necessarily reflect the issuer's current financial condition or the volatility or liquidity of the security. In the event of bankruptcy of the issuer of debt obligations, a client portfolio could experience delays or limitations with respect to its ability to realize the benefits of any collateral securing the instrument. In order to enforce its rights in the event of a default, bankruptcy or similar situation, a client may be required to retain legal or similar counsel at their own expense.

Currency Risk**:** In general, the value of investments in, or denominated in, foreign currencies increases when the U.S. dollar is weak (i.e., is losing value relative to foreign currencies) or when foreign currencies are strong (i.e., are gaining value relative to the U.S. dollar). When foreign currencies are weak or the U.S. dollar is strong, such investments generally will decrease in value. The value of foreign currencies as measured in U.S. dollars may be unpredictably affected by changes in foreign currency rates and exchange control regulations, application of foreign tax laws (including withholding tax), governmental administration of economic or monetary policies (in the U.S. or abroad), intervention (or the failure to intervene) by U.S. or foreign governments or central banks, and relations between nations. A devaluation of a currency by a country's government or banking authority will have a significant impact on the value of any investments denominated in that currency. Currency markets generally are not as regulated as securities markets and currency transactions are subject to settlement, custodial and other operational risks. Exposure to foreign currencies through derivative instruments will also be subject to the *Derivatives Risks* described below.

Cyber Security Risk: As technology becomes more engrained in businesses, information about clients and Parametric may be more susceptible to cyber security breaches. Cyber security breaches and risks include both intentional and unintentional events and may include, but are not limited to: third parties purposefully hacking Parametric's systems to access confidential client information; attacks designed to disrupt Parametric's normal business operations; corruption or destruction of data; or inadvertent disclosure by Parametric of confidential information. Additionally, Parametric utilizes third parties for a variety of services, including custodians, broker dealers, vendors, transfer agents, and advisors. Such third parties may have access to Parametric's systems or confidential information, or Parametric may rely on the third party's systems to perform certain business functions. If the third party suffers a cyber-security event, confidential information about Parametric's clients may be exposed or Parametric may not be able to access the systems. Moreover, a security in a client's account may decline in value if the issuer or counterparty to such security suffers a cyber-security event. Parametric has adopted both business continuity plans and a program designed to reduce the risk of cyber security breaches. However, there are no guarantees that these actions will prevent cyber security breaches or foresee future threats.

Data Source Risk: Parametric subscribes to a variety of third party data sources that are used to evaluate, analyze and formulate investment decisions. If a third party provides inaccurate data, client accounts may be negatively affected. While Parametric believes the third party data sources are reliable, there are no guarantees that data will be accurate.

Debt Market Risk: Economic and other events (whether real or perceived) can reduce the demand for certain income securities or for investments generally, which may reduce market prices and cause the value of a client portfolio to fall. The frequency and magnitude of such changes cannot be predicted. Certain securities and other investments can experience downturns in trading activity and, at such times, the supply of such instruments in the market may exceed the demand. At other times, the demand for such instruments may exceed the supply in the market. An imbalance in supply and demand in the market may result in valuation uncertainties and greater volatility, less liquidity, wider trading spreads and a lack of price transparency in the market. No active trading market may exist for certain investments, which may impair the ability to sell or to realize the full value of such investments in the event of the need to liquidate such assets. Adverse market conditions may impair the liquidity of some actively traded investments.

***Derivatives Risk*:** The use of derivatives can lead to losses because of adverse movements in the price or value of the asset, index, rate or instrument underlying a derivative, due to failure of the counterparty or tax or regulatory constraints. In this context, derivatives include but are not limited to: futures, forwards, options, participatory notes, warrants, and other similar instruments that may be valued based upon another or related asset. Derivatives can create economic leverage in a client portfolio, which magnifies the portfolio's exposure to the underlying investment. Derivatives risk may be more significant when derivatives are used to enhance return or as a substitute for a position or security, rather than solely to hedge the risk of a position or security held by a client portfolio. Derivatives for hedging purposes may not reduce risk if they are not sufficiently correlated to the position being hedged. A decision as to whether, when and how to use derivatives involves the exercise of specialized skill and judgment, and a transaction may be unsuccessful in whole or in part because of market behavior or unexpected events. Derivative instruments may be difficult to value, may be illiquid, and can be subject to wide swings in valuation caused by changes in the value of the underlying instrument. If a derivative counterparty is unable to honor its commitments, the value of a client portfolio may decline and/or the portfolio could experience delays in the return of collateral or other assets held by the counterparty. The loss on derivative transactions can substantially exceed the initial investment. Certain strategies use derivatives extensively.

Dividend Strategy Risk: Clients invested in strategies designed to invest in dividend paying securities may be subject to certain risks. These include issuers which have historically paid dividends reducing or ceasing to pay dividends in the future, which may additionally negatively impact the price of the security. In times of economic stress, large amounts of issuers may reduce or eliminate dividends, impacting the ability of Parametric to execute its desired strategy.

Duration Risk**:** Duration measures the expected life of a fixed-income security, which can determine its sensitivity to changes in the general level of interest rates. Securities with longer durations tend to be more sensitive to interest rate changes than securities with shorter durations. A portfolio with a longer dollar-weighted average duration can be expected to be more sensitive to interest rate changes than a portfolio with a shorter dollar-weighted average duration. Duration differs from maturity in that it considers a security's coupon payments in addition to the amount of time until the security matures. As the value of a security changes over time, so will its duration.

Equity Risk**:** Portfolios may be sensitive to stock market volatility and some stocks within a client's portfolio may be more volatile than the market as a whole. The value of stocks and related instruments may decline in response to conditions affecting the general economy; overall market changes; local, regional or global political, social or economic instability; and currency, interest rate and commodity price fluctuations, as well as issuer or sector specific events. Market conditions may affect certain types of stocks (such as large-cap or growth stocks) to a greater extent than other types of stocks. If the stock market declines, the value of a portfolio will also likely decline and, although stock values can rebound, there is no assurance that values will return to previous levels.

ETF Risk**:** Investing in an exchange-traded fund (ETF) exposes a client portfolio to all of the risks of that ETF's investments and subjects it to a pro rata portion of the ETF's fees and expenses. As a result, the cost of investing in ETF shares may exceed the cost of investing directly in its underlying investments. ETF shares trade on an exchange at a market price which may vary from the ETF's net asset value. ETFs may be purchased at prices that exceed the net asset value of their underlying investments and may be sold at prices below such net asset value. Because the market price of ETF shares depends on market demand, the market price of an ETF may be more volatile than the underlying portfolio of securities the ETF is designed to track. A client account may not be able to liquidate ETF holdings at the time and price desired, which may impact performance.

ETN Risk**:** An exchange-traded note (ETN) is a debt obligation and its payments of interest or principal are linked to the performance of a referenced investment (typically an index). ETNs are subject to the performance of their issuer and may lose all or a portion of their entire value if the issuer fails or its credit rating changes. An ETN that is tied to a specific index may not be able to replicate and maintain exactly the composition and weighting of the components of that index. ETNs also incur certain expenses not incurred by the referenced investment and the cost of owning an ETN may exceed the cost of investing directly in the referenced investment. The market trading price of an ETN may be more volatile than the referenced investment it is designed to track. ETNs may be purchased at prices that exceed net asset value and may be sold at prices below such value. A client account may not be able to liquidate ETN holdings at the time and price desired, which may impact performance.

***Foreign, Emerging and Frontier Markets Risk*:** The value of a client portfolio may be adversely affected by changes in currency exchange rates and political and economic developments across multiple borders. In emerging or less developed countries, these risks can be more significant than in major markets in developed countries. In many emerging markets there is significantly less publicly available information about domestic companies due to differences in applicable regulatory, accounting, auditing, and financial reporting and recordkeeping standards. In addition, in some jurisdictions, foreign investments may be made through organizational structures that are necessary to address restrictions on foreign investments. These structures may limit investor rights and recourse. More generally, there may be limited corporate governance standards and avenues of recourse as compared to U.S. companies. Additionally, shareholder claims that are common in the U.S. and are generally viewed as deterring misconduct, including class action securities law and fraud claims, frequently are difficult or impossible to pursue as a matter of law or practicality in many emerging markets. Furthermore, lack of relevant data and reliable public information about portfolio companies in emerging markets can contribute to incorrect weightings and data and computational errors when an index provider selects companies for inclusion in an index. Generally, investment markets in emerging and frontier countries are substantially smaller, less liquid and more volatile, and as a result, the value of a portfolio investing in emerging or frontier markets may be more volatile. Emerging and frontier market investments often are subject to speculative trading, which typically contributes to volatility. Emerging and frontier market countries also may have relatively unstable governments and economies. Trading in foreign, emerging and frontier markets usually involves higher expenses than trading in the U.S. A client portfolio investing in these markets may have difficulties enforcing its legal or contractual rights in a foreign country. Depositary receipts are subject to many of the risks associated with investing directly in foreign securities, including political and economic risks. While American Depository Receipts (ADRs) are denominated in U.S. dollars, they are still subject to currency exchange rate risks. ADRs are traded on U.S. market hours which do not match the local markets. Due to this, ADR prices are also subject to exchange rate fluctuations and market information outside of local market hours.

***General Investing Risks*:** Most investment strategies are not intended to be a complete investment program. All investments carry a certain amount of risk and there is no guarantee that a client portfolio will be able to achieve its investment objective. Investors generally should have a long-term investment perspective and be able to tolerate potentially sharp declines in value and/or investment losses. Investment advisers, other market participants and many securities markets are subject to rules and regulations and the jurisdiction of one or more regulators. Changes to applicable rules and regulations could have an adverse effect on securities markets and market participants, as well as on the ability to execute a particular investment strategy.

Government, Political, and Regulatory Risk: U.S. and foreign legislative, regulatory, and other government actions which may include changes to regulations, the tax code, trade policy, or the overall regulatory environment may negatively affect the value of securities within a client's account, or may affect Parametric's ability to execute its investing strategies. The U.S. government may impose sanctions on certain issuers and prohibit clients from investing in their securities. Clients which hold sanctioned issuers may be required to divest from these holdings. The imposition of sanctions may negatively affect the value of an issuer's securities. If compliance costs associated with such events increase, the costs of investing may increase, negatively affecting clients.

***Hedge Correlation Risk*:** Certain strategies seek to maintain substantially offsetting exposures and follow a generally market-neutral approach. Hedging instruments utilized for these strategies may not maintain the intended correlation to the investment being hedged or may otherwise fail to achieve their intended purpose. Failure of the hedge instruments to track a client portfolio's investments could result in the client portfolio having substantial residual exposure to market risk.

***Income Risk*:** A portfolio's ability to generate income will depend on the yield available on the securities held by the portfolio. In the case of equity securities, changes in the dividend policies of companies held by a client portfolio could make it difficult for the portfolio to generate a predictable level of income. The use of dividend-capture strategies to generate income will generally expose a client portfolio to higher portfolio turnover, increased trading costs and the potential for capital loss or gain, particularly in the event of significant short-term price movements of stocks subject to dividend capture trading.

***Inflation-Linked Security Risk*:** Inflation-linked debt securities are subject to the effects of changes in market interest rates caused by factors other than inflation (real interest rates). In general, the price of an inflation-linked security tends to decrease when real interest rates increase and can increase when real interest rates decrease. Interest payments on inflation-linked securities may vary widely and will fluctuate as the principal and interest are adjusted for inflation. Any increase in the principal amount of an inflation-linked debt security will be taxable ordinary income, even though the portfolio will not receive the principal until maturity. There can be no assurance that the inflation index used will accurately measure the real rate of inflation in the prices of goods and services. A portfolio's investments in inflation-linked securities may lose value in the event that the actual rate of inflation is different than the rate of the inflation index.

***Interest Rate Risk*:** As interest rates rise, the value of a client portfolio invested primarily in fixed-income securities or similar instruments is likely to decline. Conversely, when interest rates decline, the value of such a client portfolio is likely to rise. Securities with longer maturities are more sensitive to changes in interest rates than securities with shorter maturities, making them more volatile. A rising interest rate environment may extend the average life of mortgages or other asset-backed receivables underlying mortgage-backed or asset-backed securities. This extension increases the risk of depreciation due to future increases in market interest rates. In a declining interest rate environment, prepayment of certain types of securities may increase. In such circumstances, the portfolio manager may have to reinvest the prepayment proceeds at lower yields. A strategy that is managed toward an income objective may hold securities with longer maturities and therefore be more exposed to interest rate risk than a strategy focused on total return.

***Leverage Risk*:** Certain types of investment transactions may give rise to a form of leverage. Such transactions may include, among others, the use of when-issued, delayed delivery or forward commitment transactions, residual interest bonds, short sales and certain derivative transactions. A client portfolio may be required to segregate liquid assets or otherwise cover the portfolio's obligation created by a transaction that may give rise to leverage. To satisfy the portfolio's obligations or to meet segregation requirements, portfolio positions may be required to be liquidated when it is not be advantageous to do so. Leverage can cause the value of a client portfolio to be more volatile than if it had not been leveraged, as certain types of leverage may exaggerate the effect of any increase or decrease in the value of securities in a client portfolio. The loss on leveraged transactions can substantially exceed the initial investment.

LIBOR Risk: Certain financial instruments (such as debt instruments and derivatives) use the London Interbank Offered Rate (LIBOR) as a 'reference' or 'benchmark' rate. LIBOR is the average offered rate for various maturities of short-term loans between certain major international banks. LIBOR is expected to be phased out by the end of 2021. Although the transition process away from LIBOR is expected to be well-defined in advance of the anticipated discontinuation, there remains uncertainty regarding the future utilization of LIBOR and the nature of any replacement rate or rates. The transition process may involve, among other things, increased volatility or illiquidity in markets for instruments that currently rely on LIBOR. The transition may also result in a change in (i) the value of certain instruments held by the Fund, (ii) the cost of borrowing for investors, or (iii) the effectiveness of related transactions such as hedges, as applicable. When LIBOR is discontinued, the LIBOR replacement rate may be lower than market expectations, which could have an adverse impact on the value of preferred and debt-securities with floating or fixed-to-floating rate coupons. Additionally, while some existing LIBOR-based instruments may contemplate a scenario where LIBOR is no longer available by providing for an alternative or "fallback" rate-setting methodology, there may be significant uncertainty regarding the effectiveness of any such alternative methodologies to replicate LIBOR. Not all existing LIBOR-based instruments have such fallback provisions, and many that do, do not contemplate the permanent cessation of LIBOR. While it is expected that market participants will amend legacy financial instruments referencing LIBOR to include fallback provisions to alternative reference rates, there remains uncertainty regarding the willingness and ability of parties to add or amend such fallback provisions in legacy instruments maturing after the end of 2021, particularly with respect to legacy cash products. Since the usefulness of LIBOR as a benchmark could deteriorate during the transition period, these effects may occur prior to the discontinuation date. Any such effects of the transition away from LIBOR and the adoption of alternative reference rates, as well as other unforeseen effects, could result in losses to an investor.

Liquidity Risk: A client portfolio is exposed to liquidity risk when trading volume, lack of a market maker or trading partner, large position size, market conditions, or legal restrictions impair its ability to sell particular investments or to sell them at advantageous market prices. Consequently, the client portfolio may have to accept a lower price to sell an investment or continue to hold it or keep the position open, sell other investments to raise cash or give up an investment opportunity, any of which could have a negative effect on the portfolio's performance. These effects may be exacerbated during times of financial or political stress.

Lower Rated Investments Risk: Investments rated below investment grade and comparable unrated investments (sometimes referred to as "junk") have speculative characteristics because of the credit risk associated with their issuers. Changes in economic conditions or other circumstances typically have a greater effect on the ability of issuers of lower rated investments to make principal and interest payments than they do on issuers of higher rated investments. An economic downturn generally leads to a higher non-payment rate, and a lower rated investment may lose significant value before a default occurs. Lower rated investments typically are subject to greater price volatility and illiquidity than higher rated investments.

Market Risk**:** Economic and other events (whether real or perceived) such as pandemics, global health crises, war, terrorism, or other geopolitical events can increase volatility and reduce the demand for certain securities or for investments generally, which may reduce market prices and cause the value of a client portfolio to fall. The frequency and magnitude of such changes cannot be predicted. Certain securities can experience downturns in trading activity and, at such times, the supply of such instruments in the market may exceed the demand. At other times, the demand for such instruments may exceed the supply in the market. An imbalance in supply and demand in the market may result in valuation uncertainties and greater volatility, less liquidity, widening credit spreads and a lack of price transparency in the market. No active trading market may exist for certain investments, which will impair the ability of the portfolio manager to sell or to realize the full value of such investments in the event of the need to liquidate such assets. Adverse market conditions can impair the liquidity of some actively traded investments. COVID-19, which originated at the end of 2019, has led to a global pandemic and has caused unprecedented market, employment, and societal disruptions in the United States and across the world. It is unknown how long these disruptions will last, if they may become more severe, or if they may lead to additional geopolitical or market risk which could negatively affect markets, liquidity, and investment valuation.

Maturity Risk**:** Interest rate risk will generally affect the price of a fixed income security more if the security has a longer maturity. Fixed income securities with longer maturities will therefore be more volatile than other fixed income securities with shorter maturities. Conversely, fixed income securities with shorter maturities will be less volatile but generally provide lower returns than fixed income securities with longer maturities. The average maturity of a client portfolio's investments will affect the volatility of the portfolio's rate of return.

Model and Quantitative Risks: Parametric uses proprietary and third party quantitative tools to assist portfolio managers and analysts in making investment decisions. If these tools have errors, or are flawed or incomplete and such issues are not identified, it may have an adverse effect client investment performance.

Municipal Bond Risk**:** The amount of public information available about municipal bonds is generally less than for corporate equities or bonds, meaning that the investment performance of municipal bond investments may be more dependent on the analytical abilities of Parametric than stock or corporate bond investments. The secondary market for municipal bonds also tends to be less well-developed and less liquid than many other securities markets, which may limit an owner's ability to sell its municipal bonds at attractive prices. The spread between the price at which an obligation can be purchased and the price at which it can be sold may widen during periods of market distress. Less liquid obligations can become more difficult to value and be subject to erratic price movements. Municipal securities may be negatively impacted by factors such as political changes, litigation, bankruptcy, or increased costs facing the issuing municipality. Municipal securities must meet certain legal requirements to be tax-exempt. Failure to meet such requirements may cause interest received on the municipal security to be taxable. The increased presence of non-traditional participants or the absence of traditional participants in the municipal markets may lead to greater volatility in the markets.

Operational Risk: Client accounts are subject to operational risks arising from various factors, including but not limited to, processing errors, communication failures, human errors, inadequate or failed internal or external processes, fraud by employees or other parties, limitations or failure in systems and technology, changes in personnel and errors caused by third-party service providers. Client accounts which are managed by investment personnel across multiple offices are subject to greater operational risks due to different systems and technology, potential communication failures and personnel changes. Such factors may result in losses to a client's account.

Option Strategy Risk: Certain client portfolios employ an option strategy that seeks to take advantage of a general excess of option price-implied volatilities for a specified stock or index over the stock or index's subsequent realized volatility. This market observation is often attributed to the unknown risk to which an option seller is exposed to in comparison to the fixed risk to which an option buyer is exposed. There can be no assurance that this imbalance will apply in the future over specific periods or generally. It is possible that the imbalance could decrease or be eliminated by actions of investors that employ strategies seeking to take advantage of the imbalance, which would have an adverse effect on the client portfolio's ability to achieve its investment objective. Further, directional movements of the underlying index or stock may overwhelm the volatility differential for any given option resulting in a loss, regardless of the volatility relationship during that specific option's term. Call spread and put spread selling strategies employed by certain strategies are based on a specified index or on exchange-traded funds that replicate the performance of certain indexes. If the index or an ETF appreciates or depreciates sufficiently over the period to offset the net premium received, the client portfolio will incur a net loss. The amount of potential loss in the event of a sharp market movement is subject to a cap defined by the difference in strike prices between written and purchased call and put options. The value of the specified exchange-traded fund is subject to change as the values of the component securities fluctuate. Also, it may not exactly match the performance of the specified index. All options and other derivatives must be carefully considered.

Pooled Investment Vehicles Risk: Pooled investment vehicles include open- and closed-end investment companies, exchange-traded funds, and private funds. Pooled investment vehicles are subject to the risks of investing in the underlying securities or other investments. Shares of closed-end investment companies and ETFs may trade at a premium or discount to net asset value and are subject to secondary market trading risks. In addition, except as otherwise noted in this Brochure, the client portfolio will bear a pro rata portion of the operating expenses of a pooled investment vehicle in which it invests.

Responsible Investing and ESG Risks: Clients utilizing responsible investing strategies and environment, social responsibility and corporate governance (ESG) factors may underperform strategies which do not utilize responsible investing and ESG considerations. Responsible investing and ESG strategies may operate by either excluding the investments of certain issuers or by selecting investments based on their compliance with factors such as ESG. These strategies may exclude certain sectors or industries from a client's portfolio, potentially negatively affecting the client's investment performance if the excluded sector or industry outperforms. Responsible investing and ESG are subjective by nature, and Parametric may rely on analysis and 'scores' provided by third parties in determining whether an issuer meets Parametric's standards for inclusion or exclusion. A client's perception may differ from Parametric's or a third party's on how to judge an issuers adherence to responsible investing principles.

***Small Companies Risk*:** Smaller companies are generally subject to greater price fluctuations, limited liquidity, higher transaction costs and higher investment risk. Such companies may have limited product lines, markets or financial resources, may be dependent on a limited management group, lack substantial capital reserves or an established performance record. There is generally less publicly available information about such companies than for larger, more established companies. Stocks of these companies frequently have lower trading volumes, making them more volatile and potentially more difficult to value.

***Structured Management Risk*:** Parametric uses rules-based, proprietary investment techniques and analyses in making investment decisions. These strategies seek to take advantage of certain quantitative and/or behavioral market characteristics identified by Parametric, utilizing rules-based country, sector and commodity weighting processes, structured allocation methodologies and disciplined rebalancing models. These investment strategies have not been independently tested or validated, and there can be no assurance they will achieve the desired results.

Swap Risk: The use of swap transactions is a highly specialized activity that involves strategies and risks different from those associated with ordinary portfolio security transactions. Incorrectly forecasting default risks, market spreads or other applicable factors or events can significantly affect investment performance. Swaps are highly illiquid and not easily traded away. The portfolio generally may only close out a swap or other two-party contract with its particular counterparty, and generally may only transfer a position with the consent of that counterparty. In addition, the price at which the portfolio may close out such a two-party contract may not correlate with the price change in the underlying reference asset. If the counterparty (whether a clearing corporation, as in the case of exchange-traded instruments, or another third party, as in the case of over-the-counter instruments) defaults, there can be no assurance that the counterparty will be able to meet or enforce the contractual obligations. It is also possible that developments in the derivatives market, including changes in government regulation, could adversely affect the manager's ability to terminate existing swap or other agreements or to realize amounts to be received under such agreements.

Tax-Managed Investing Risk**:** Investment strategies that seek to enhance after-tax performance may be unable to fully realize strategic gains or harvest losses due to various factors. Market conditions may limit the ability to generate tax losses. A tax-managed strategy may cause a client portfolio to hold a security in order to achieve more favorable tax treatment or to sell a security in order to create tax losses. A tax loss realized by a U.S. investor after selling a security will be negated if the investor purchases the security within thirty days. Although Parametric avoids "wash sales" whenever possible and temporarily restricts securities it has sold at a loss to prevent them, a wash sale can occur inadvertently because of trading by a client in portfolios not managed by Parametric. A wash sale may also be triggered by Parametric when it has sold a security for loss harvesting and shortly thereafter the firm is directed by the client to invest a substantial amount of cash resulting in a repurchase of the security.

Tax Risk**:** The tax treatment of investments held in a client portfolio may be adversely affected by future tax legislation, Treasury Regulations and/or guidance issued by the Internal Revenue Service that could affect the character, timing, and/or amount of taxable income or gains attributable to an account. Income from tax-exempt municipal obligations could be declared taxable because of unfavorable changes in tax laws, adverse interpretations by the Internal Revenue Service or non-compliant conduct of a bond issuer.

Tax-Straddle Risk: Investment strategies that utilize off-setting positions on a security or a portfolio of securities must adhere to specific rules and provisions under the Internal Revenue Code in order to avoid negative tax consequences. These provisions apply to an investor's entire investment portfolio including accounts not managed by Parametric. While Parametric seeks to avoid "tax straddles", an investor's ability to realize tax benefits (e.g., defer gains, deduct interest, convert short term gains into long term gains) may be negated by transactions and holdings of which Parametric is not aware.

Tracking Error Risk**:** Tracking error risk refers to the risk that the performance of a client portfolio may not match or correlate to that of the index it attempts to track, either on a daily or aggregate basis. Factors such as fees and trading expenses, client-imposed restrictions, imperfect correlation between the portfolio's investments and the index, changes to the composition of the index, regulatory policies, high portfolio turnover and the use of leverage all contribute to tracking error. Tracking error risk may cause the performance of a client portfolio to be less or more than expected.

U.S. Government Securities Risk: Although certain U.S. Government-sponsored agencies (such as the Federal Home Loan Mortgage Corporation and the Federal National Mortgage Association) may be chartered or sponsored by acts of Congress, their securities are neither issued nor guaranteed by the U.S. Treasury. U.S. Treasury securities generally have a lower return than other obligations because of their higher credit quality and market liquidity.

Volcker Rule: Section 619 of the Dodd-Frank Act (commonly referred to as the Volcker Rule), along with regulations issued by the Federal Reserve and other U.S. federal financial regulators (Implementing Regulations) generally prohibit "banking entities" (which term includes bank holding companies and their affiliates) from investing in, sponsoring, or having certain types of relationships with, private equity funds or hedge funds (referred to in the Implementing Regulations as covered funds). Banking entities (including

Morgan Stanley and its affiliates) were required to bring their activities and investments into conformance with the Volcker Rule by July 21, 2015, subject to certain extensions granted by the U.S. Federal Reserve that allow Morgan Stanley and its affiliates until July 21, 2022 at the latest to bring certain of their covered fund activities and investments into compliance with certain aspects of the Volcker Rule. In addition, it is anticipated that Parametric will have a conformance period until March 1, 2023 to bring any non-conforming covered fund activities into compliance with the Volcker Rule.

The Volcker Rule and the Implementing Regulations impose a number of restrictions on Morgan Stanley and its affiliates that affects us, a covered fund offered by us, the general partner of those funds, and the limited partners of such funds. For example, to sponsor and invest in certain covered funds, Morgan Stanley must comply with the Implementing Regulations' "asset management" exemption to the Volcker Rule's prohibition on sponsoring and investing in covered funds. Under this exemption, the investments made by Morgan Stanley (aggregated with certain affiliate and employee investments in a covered fund must not exceed 3% of the covered fund's outstanding ownership interests and Morgan Stanley's aggregate investment in covered funds does not exceed 3% of Morgan Stanley's Tier I capital. In addition, the Volcker Rule and the Implementing Regulations prohibit Morgan Stanley and its affiliates from entering in certain other transactions (including "covered transactions" as defined in Section 23A of the U.S. Federal Reserve Act, as amended) with or for the benefit of, covered funds that it sponsors or advises. For example, Morgan Stanley may not provide loans, hedging transactions with extensions of credit or other credit support to covered funds it advises. There are limitations on Morgan Stanley and its affiliates, including Parametric's ability to invest in certain assets such as real estate and real assets in covered funds. While we endeavor to minimize the impact on our covered funds and the assets held by them, Morgan Stanley's interests in determining what actions to take in complying with the Volcker Rule and the Implementing Regulations may conflict with Parametric's interests and the interests of the private funds, the general partner and the limited partners of the private funds, all of which may be adversely affected by such actions. The foregoing is not an exhaustive discussion of the potential risks the Volcker Rule poses for Parametric.

Item 9—Disciplinary Information

In this item registered investment advisers are required to disclose all material facts regarding any legal or disciplinary event that may be material to a client or prospective client's evaluation of the adviser. Parametric has no legal or disciplinary information to disclose that is applicable to this Item.

Item 10—Other Financial Industry Activities and Affiliations

Parametric is a wholly owned subsidiary of Morgan Stanley, a corporation whose shares are publicly held and traded on the New York Stock Exchange under the symbol "MS". Morgan Stanley is a financial holding company under the Bank Holding Company Act of 1956, as amended, and has numerous domestic and international subsidiaries. Parametric is part of a large global financial services and banking group. As a result, Parametric's clients may have existing relationships with Parametric's affiliates. Parametric participates in a wrap program sponsored by an affiliate. These relationships can cause conflicts of interest. Relationships with affiliates that are material to clients are discussed below.

Broker-Dealer Affiliates

Parametric is affiliated with Eaton Vance Distributors, Inc. (EVD), a broker-dealer registered under the Securities Exchange Act of 1934 (34 Act) and the Financial Industry Regulatory Authority (FINRA). EVD is the principal underwriter and distributor of certain affiliated funds and products. Parametric currently does not conduct any brokerage business with EVD. Parametric and EVD have entered into a revenue sharing agreement under which Parametric compensates EVD with a portion of the advisory fees earned by Parametric for certain client accounts. Certain Parametric sales personnel are registered representatives of EVD and receive compensation for promoting sales of funds and products of affiliates, including funds sub-advised by Parametric and for which Parametric receives a separate advisory fee. Certain EVD sales and distribution personnel who serve registered investment adviser and multi-family office clients are considered to be employees of Parametric, and are authorized to offer the investment advisory services of Parametric and its affiliates.

As of March 1, 2021, Parametric became affiliated with Morgan Stanley & Co. LLC, Morgan Stanley Smith Barney LLC (MSSB), and Prime Dealer Services Corp., each a registered broker-dealer under the 34 Act and with FINRA. MSSB is registered with the SEC as an investment adviser. Parametric participates in a wrap program sponsored by MSSB. Parametric is also affiliated with foreign broker-dealers and financial services companies, including Morgan Stanley & Co. International PLC, Morgan Stanley MUFG Securities Co., Ltd., Morgan Stanley India Company Private Ltd., and Block Interest Discovery System (BIDS) (hereinafter, together with affiliated broker-dealers registered under the 34 Act, collectively referred to as Affiliated Broker-Dealers).

When permitted by applicable law and subject to the considerations set forth in *Item 12 – Brokerage Practices*, Parametric utilizes Affiliated Broker-Dealers to effect portfolio securities, currency exchange, futures, and other transactions for Parametric's client accounts. The *Participation or Interest in Client Transactions* subsection in *Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading*, describes in greater detail the manner in which Parametric utilizes Affiliated Broker-Dealers to effect client transactions and the conflicts of interest that can arise.

EVD serves as distributor, placement agent and/or underwriter for certain registered and unregistered investment companies for which Parametric acts as investment advisor or subadvisor and in certain instances, receive distribution fees from the funds pursuant to Rule 12b-1 under the 1940 Act or placement agent fees.

Where applicable, EVD pays fees, in whole or in part, to MSSB and to any other selected dealer, including any other Affiliated Broker-Dealer, with whom EVD has entered into a selected dealer or placement agent agreement. In addition, any sales charges derived from the purchase or redemption of an investment company managed by Parametric are paid directly to MSSB, or to any of those other selected dealers, including any other Affiliated Broker-Dealer, from which such dealer pays its sales representatives and other costs of distribution.

Commodity Trading Advisor/Commodity Pool Operator Registration

In addition to its registration with the SEC as an investment adviser under the Investment Advisers Act of 1940, Parametric is registered as a Commodity Trading Adviser and Commodity Pool Operator with the Commodity Futures Trading Commission (CFTC) and is a member of the National Futures Association (NFA). Certain management and sales personnel are registered with the NFA as Principals and/or Associated Persons.

Material Arrangements or Relationships with Affiliates

Parametric is part of a group of investment advisers within the Morgan Stanley Investment Management business, including: (1) EVM; (2) Boston Management and Research; (3) CRM; (4) ACM; (5) Eaton Vance Advisers International Ltd. (EVAIL); (6) Eaton Vance Global Advisors Limited (EVGA); (7) Eaton Vance WaterOak Advisers (WaterOak) (8) Mesa West Capital, LLC; (9) Morgan Stanley Investment Management Company; (10) Morgan Stanley Investment Management Limited; (11) Morgan Stanley AIP GP LP; Morgan Stanley Infrastructure, Inc.; (12) Morgan Stanley Private Equity Asia, Inc.; (13) MS Capital Partners Adviser, Inc.; (14) Morgan Stanley Real Estate Advisor, Inc.; (15) MSREF Real Estate Advisor, Inc.; (16) MSREF V, LLC; and (17) MSRESS III Manager, LLC (collectively, Affiliated Advisers).

Parametric has entered into an agreement with EVM whereby EVM provides to Parametric certain services such as accounting, finance, human resources, information technology and legal. As such, certain EVM personnel are situated in Parametric's offices and are generally subject to certain, if not all of the policies and procedures of and oversight by Parametric. Likewise, certain Parametric personnel are situated in EVM offices and are generally subject to the policies and procedures of and oversight by EVM. Parametric and EVM compensate each other for the costs of these services. Parametric has entered into sub-advisory agreements with EVM with respect to certain registered funds and other unaffiliated client portfolios.

Certain employees of Parametric who are responsible for the day-to-day management of certain separate accounts and funds sponsored by CRM on behalf of CRM are considered employees of both Parametric and CRM. In addition to Parametric, these employees are subject to certain policies and procedures of CRM and are subject to its oversight. CRM is an index provider and certain Parametric client portfolios are benchmarked against CRM indices. In addition, for certain of these private funds and clients benchmarked against a CRM index or invested in a CRM investment strategy, Parametric has determined that proxies for issuers held in client portfolios benchmarked against a CRM index or invested in a CRM strategy will be voted in accordance with CRM's proxy policy. Please see *Item 17 – Voting Client Securities* for additional information.

Parametric and affiliates EVM, CRM, ACM, EVAIL, EVGA, WaterOak and Eaton Vance Trust Company have entered into agreements (such as sub-advisory agreements) under which Parametric provides services to clients and/or products of these affiliates or under which these affiliates provide services to Parametric such as provision of models or indexes which Parametric utilizes in managing its client's portfolios. Parametric and these affiliates compensate each other for such services.

Parametric provides investment advisory services to various private and public pooled investment vehicles sponsored by its affiliates (the Funds). The EV Funds include various registered investment companies (Mutual Funds), investment companies exempt from registration (Private Funds), and investment companies domiciled and distributed outside the United States (Offshore Funds).

Investment strategies and products of Parametric, EVM and other Morgan Stanley affiliates are cross-marketed. Parametric works closely with its affiliates to jointly market advisory services and strategic investment strategies to institutional investors and high-net-worth individuals, and refers clients to its affiliates when appropriate. These shared marketing efforts and sales referrals result in intercompany transfers and cost-sharing payments between Parametric and its affiliates.

As described in *Item 4 – Advisory Business* and within this *Item 10*, certain employees of Parametric have also been designated as employees of EVM, EVD, and/or CRM. The Parametric Chief Compliance Officer and the respective Chief Compliance Officers of EVM, EVD, and CRM (collectively the CCOs) have determined that it is not feasible for these employees to be subject to up to four compliance programs. As such, the CCOs have determined on a case-by-case basis which employees will be subject to which affiliated compliance program, or which specific policies and procedures of Parametric or an affiliate will be applicable to the individual employee. Factors such as which office the employee is located in, what access to information such as research recommendations the employee has access to, and what compliance program the employee has historically been subject to, among other considerations, were considered when making determinations. The CCOs meet regularly to discuss matters affecting these employees and the CCOs are required to promptly report to other CCOs certain events such as material violations of policies and procedures, violations of a code of ethics, and client complaints.

Pooled Investment Vehicles

Parametric has organized and serves as the investment adviser to certain private investment companies that are exempt from registration (PPA Private Funds). Parametric serves as the managing member of Parametric Defensive Equity Fund LLC, Parametric Global Defensive Equity Fund LLC, Parametric Liquid Alternative Fund LLC, Parametric Global Low Beta VRP Fund, LLC, Parametric Calvert ESG Defensive Equity Fund, LLC and Parametric Multi-Asset Volatility Risk Premium Fund, LLC. Parametric also serves as the general partner, either directly or through an interposed entity, of the Parametric TMEMC Fund, L.P. and the Emerging Market Completion Fund, L.P. The PPA Private Funds are only offered to sophisticated investors that are qualified purchasers.

Parametric and its affiliates act as sub-adviser to registered investment companies sponsored by third parties. Parametric additionally provides non-discretionary services to certain third party registered investment companies. Parametric additionally provides sub-advisory services to other pooled investment vehicles such as collective investment trusts, private funds exempt from registration under the 40 Act, and limited liability companies or limited partnerships. Such pooled investment vehicles may be sponsored by affiliates or unaffiliated third parties.

Electronic Communication Networks and Alternative Trading Systems

Parametric's affiliates have ownership interests in and/or Board seats on electronic communication networks (ECNs) or other alternative trading systems (ATSs). In certain instances Parametric's affiliates may be deemed to control one or more of such ECNs or ATSs based on the level of such ownership interests and whether such affiliates are represented on the board of such ECNs or ATSs. Consistent with its fiduciary obligation to seek best execution, Parametric will, from time to time, directly or indirectly, effect client trades through ECNs or other ATSs in which the firm's affiliates have or may acquire an interest or Board seat. These affiliates may receive an indirect economic benefit based upon their ownership in the ECNs or other ATSs. Parametric will, directly or indirectly, execute through an ECN or other ATSs in which an affiliate has an interest only in situations where the firm or the broker dealer through whom it is accessing the ECN or ATS reasonably believes such transaction will be in the best interest of its clients and the requirements of applicable law have been satisfied. Parametric's affiliates may own over 5% of the outstanding voting securities and/or have a member on the Board of certain trading systems (or their parent companies), including (i) Euroclear Holding SA/NV(ii) Turquoise Global Holdings Ltd., (iii) MEMX Holdings LLC, and (iv) OTC Deriv.

Parametric's affiliates may acquire interests in and/or take Board seats on other ECNs or other ATSs (or increase ownership in the ATSs listed above) in the future.

Parametric's affiliates receive cash credits from certain ECNs and ATSs for certain orders that provide liquidity to their books. In certain circumstances, such ECNs and ATSs also charge explicit fees for orders that extract liquidity from their books. From time to time, the amount of credits that the firm's affiliates receive from one or more ECN or ATS exceed the amount that is charged. Under these limited circumstances, such payments would constitute payment for order flow.
EquiLend also provides securities loan transaction processing and reporting services to State Street, which serves as securities lending agent for certain clients. Because an affiliate of Parametric's ours owns a non-controlling interest in EquiLend, we and our Parametric and its affiliates receive an indirect benefit from State Street's use of EquiLend's services.

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

In accordance with Rule 204A-1, Parametric and its affiliates have adopted written Codes of Ethics (the Code), one of which is applicable to all employees and other supervised persons of the firm (collectively Access Persons) see *Item 10 – Other Financial Industry Activities and Affiliations* above for a description of why an employee of Parametric may be subject to an affiliated Code instead of the Parametric Code. The Code sets high standards for the personal and professional conduct of Access Persons and emphasizes their fiduciary duty to the firm's clients. The primary focus of the Code is personal securities trading. Consistent with Rule 204A-1, the Code imposes various reporting obligations on Access Persons and restricts their ability to personally trade securities. All Access Persons of Parametric must acknowledge, in writing, that they have read, understand and fully agree to comply with the Code.

The Code requires Access Persons and their immediate family members to promptly report all personal investment accounts and securities holdings to Compliance. The Code further requires that Compliance receive duplicate portfolio holdings and transaction information for all reportable investment accounts, that all reportable securities transactions are reported on a quarterly basis, and that all Access Persons certify compliance with the Code at least annually. In addition to reporting and recordkeeping requirements, the Code also imposes various substantive and procedural restrictions on all non-exempt reportable personal securities transactions, such as daily transaction limits and holding periods. The specific restrictions applicable to an Access Person vary based on the location and type of access an individual has. The Code prohibits Access Persons from engaging in derivatives transactions, including options, swaps and futures. In addition, certain equity investment personnel are required to notify the CCO of all personal securities transactions one business day prior to their execution. Likewise, certain fixed income personnel are required to pre-clear all personal securities transactions prior to their execution.

Parametric anticipates that, in appropriate circumstances and consistent with the clients' investment objectives, it will recommend to investment advisory clients the purchase or sale of securities in which Parametric and/or its clients, directly or indirectly, have a position or interest. From time to time, Parametric or its affiliates may also recommend to investment advisory clients the purchase or sale of mutual funds in which Parametric receives a sub-advisory fee. Subject to terms and conditions of the Code, Access Persons of Parametric may trade for their own accounts in securities that are recommended to and/or purchased for the firm's clients. The Code is designed to ensure that the activities, interests and relationships of Access Persons do not interfere with their ability to make decisions in the best interests of Parametric's clients, while allowing employees to invest for their own benefit. Thus, the Code designates certain classes of securities as exempt securities and certain classes of transactions as exempt transactions, based upon a determination that these securities and transactions would not materially interfere with the best interests of Parametric's clients. Nonetheless, because the Code in some circumstances would permit Access Persons to invest in the same securities as clients, there is a possibility that Access Persons might benefit from market activity by a client in a security held by an Access Person. Personal trading is continually monitored to reasonably ensure Access Persons comply with the Code, and to reasonably address conflicts of interest between Parametric and its clients.

Parametric may trade in securities of issuers of which persons related to its Access Persons may be considered to be insiders. Parametric's investment recommendations and trading activities will not be based on material, non-public information, as defined in Parametric's Insider Trading Policy and Procedures.

A client or prospective client may obtain a copy of Parametric's Code of Ethics upon request by contacting the Chief Compliance Officer at 206-694-5575 or ppa-compliance@paraport.com.

In special circumstances and consistent with a client's investment objectives, Parametric may invest a portion of a client's assets in shares of registered investment companies, including the Funds. This strategy may create a conflict of interest with respect to the allocation of affiliated funds. Since Parametric affiliates receive management and/or administrative fees for serving as the adviser to the Funds, Parametric may have an incentive to allocate more client assets to funds managed by affiliates. However, Parametric does not consider the fee structures of the underlying investment companies during trade allocation.

Parametric provides investment management services to clients who may also receive services from affiliates. Certain Parametric clients come through MSWM's Investment Management Services program and have advisory agreements with both Parametric and MSWM. MSWM does not recommend Parametric in this program and clients are responsible for independently selecting Parametric. In addition, MSWM has entered into arrangements with sponsors and distributors of third party registered funds ("Third Party Funds"). MSWM receives compensation under these arrangements for its clients which hold such funds in MSWM brokerage accounts ("MSWM Accounts"). To the extent Parametric invests in Third Party Funds for its clients holding their assets in MSWM Accounts, MSWM would receive compensation from the sponsors and distributors of Third Party Funds. This creates a conflict of interest for Parametric to invest client assets in Third Party Funds.

Additional Conflicts of Interest

In addition to the conflicts of interest addressed in its Code of Ethics, Parametric has adopted and implemented additional policies and procedures which are designed to prevent or mitigate material conflicts of interest by and between the firm, its employees and clients. These potential conflicts of interest arise from the receipt and provision of gifts and entertainment, outside business activities, and political contributions.

Participation or Interest in Client Transactions

The following section addresses our trading activities, the various conflicts of interest that can arise, and how such conflicts have been addressed.

Morgan Stanley Securities

Parametric will generally prohibit transactions in securities, including equity and debt, issued by Morgan Stanley and certain of its affiliates. Parametric will, for certain strategies, continue to hold Morgan Stanley equity securities held in client accounts prior to the Morgan Stanley Acquisition. With respect to such equity securities, determinations on whether to hold or sell are based on systematic, rules-based objective criteria that take into account factors including tax consequences and tracking error impact. Portfolio managers are limited in their ability to make discretionary decisions to sell Morgan Stanley equity securities in client accounts. Parametric has adopted procedures governing its sales of Morgan Stanley securities to mitigate conflicts of interest.

Broker-Dealer Affiliations

Parametric does not act as principal or broker in connection with client transactions. However, when exercising its discretion under an investment management agreement with a client, Parametric will, in certain instances, effect transactions in securities or other instruments for a client through Affiliated Broker-Dealers which perform all of the activities set forth below.

Parametric rarely seeks to enter into securities transactions on behalf of a client in which an Affiliated Broker-Dealer will act as principal. In the event this occurs, Parametric will disclose to the client that the trade will be conducted on a principal basis and obtain the client's consent in accordance with the provisions of and rules under the Advisers Act. Parametric will recommend that a client engage in such a transaction only when it believe that the net price for the security is at least as favorable as could have been obtained from another established dealer in such security.

Parametric's recommendations to clients may involve securities in which its Affiliated Broker-Dealers, or their officers, employees or other affiliates, have a financial interest. Affiliated Broker-Dealers and their officers, employees and other affiliates, can purchase or sell for their own accounts securities that Parametric recommends to its clients.

If permitted by a client's investment objectives and guidelines, applicable law, and our policies and procedures concerning conflicts of interest, Parametric will, from time to time, recommend that the purchase, or use its discretion to effect a purchase of, securities during the existence of an underwriting or other public or private offering of such securities involving an Affiliated Broker-Dealer as a manager, underwriter, initial purchaser, or placement agent. Among other things, Parametric must disclose to the client that the transaction involves an affiliate and obtain client consent to execute transactions with an affiliate on behalf of the client's account. Purchases can be from underwriters or placement agents other than an Affiliated Broker-Dealer in distributions in which an Affiliated Broker-Dealer is a manager and/or member of a syndicate or selling group, as a result of which an Affiliated Broker-Dealer will likely benefit from the purchase through receipt of a fee or otherwise. In situations in which a client has not permitted, or where it is prohibited by law, rule or regulation, Parametric may be unable to purchase securities for the client account in an initial or other public or private offering of securities involving an Affiliated Broker-Dealer.

With client consent, and subject to the restrictions imposed on such transactions by applicable law, Parametric will effect portfolio transactions through an Affiliated Broker-Dealer on an agency basis, including transactions in over-the-counter (OTC) securities, where the Affiliated Broker-Dealer will act as agent in connection with the purchase and sale of OTC securities from market participants and will charge our clients a commission on the transactions. Since these are agency transactions, there is no mark-up or mark-down on the price of the security.

Parametric will effect securities transactions through an Affiliated Broker-Dealer when, in its judgment, the client will obtain the best execution of the transaction. Subject to its duty to seek best execution, Parametric will, from time to time, effect such transactions through an Affiliated Broker-Dealer even though the total brokerage commission for the transaction is be higher than that which might have been charged by another broker for the same transaction.

Agency Cross Transactions

From time to time, and where permitted by applicable law and the relevant client agreements, Parametric will effect "agency cross transactions" in which an Affiliated Broker-Dealer acts as agent for both the buyer and seller in the transaction. Parametric will only trade with an Affiliated Broker-Dealer on behalf of a client on an agency cross basis when the client has consented to Parametric effecting such transactions. Any agency cross transaction will be effected in compliance with applicable law, as well as policies and procedures Parametric has designed to prevent and disclose potential conflicts of interest. The Affiliated Broker-Dealer can receive a commission from the seller and the buyer when it executes transactions on an agency cross basis under certain conditions. In effecting an agency cross transaction, Parametric has potentially conflicting divisions of loyalties and responsibilities regarding the parties to the transaction.

Parametric, along with related persons of Parametric, will effect portfolio transactions through an Affiliated Broker-Dealer on behalf of clients in respect of which Parametric is a "fiduciary" as defined in the Employee Retirement Income Security Act of 1974, as amended (ERISA) only on an agency basis and with prior written approval from an independent fiduciary in accordance with the terms of exemptions available from the Department of Labor, as well as in accordance with the restrictions imposed on such transactions by applicable law.

Fixed income instruments typically trade at a bid/ask spread and without an explicit brokerage charge. While there is not a formal trading expense or commission, clients (including wrap fee program clients) will bear the implicit trading costs reflected in these spreads.

Parametric is generally permitted to purchase securities on behalf of its ERISA clients from an underwriting or selling syndicate where an Affiliated Broker-Dealer participates as manager, or syndicate members with prior written approval from an independent fiduciary in accordance with the terms of exemptions available from the Department of Labor.

Parametric and Affiliated Advisers, from time to time, execute client transactions with broker-dealers that do not have their own clearing facilities and who clear such transactions through an Affiliated Broker-Dealer. In such instances, the Affiliated Broker-Dealer will receive a clearing fee for these transactions.

Parametric and its affiliates, in certain circumstances, and where permitted by applicable law, will engage in principal transactions with a CLO that it manages. In such instances, the Firm or affiliate will comply with any disclosure and consent requirements applicable under the Advisers Act.

Services to Issuers Activities

Along with our affiliates, Parametric provides a variety of services for, and render advice to, various clients, including issuers of securities that it also recommends for purchase or sale by clients. In the course of providing these services, Parametric and its affiliates may come into possession of material, nonpublic information which might affect its ability to buy, sell, or hold a security for a client account. Investment research materials disclose that our related persons may own, and may effect transactions in, securities of companies mentioned in such materials and also may perform or seek to perform investment banking services for those companies. In addition, directors, officers and employees of our affiliates may have board seats and/or have board observer rights with private and/or publicly traded companies in which Parametric invests in on behalf of our client accounts. Along with its affiliates, Parametric has adopted policies and procedures and created information barriers that are reasonably designed to prevent the flow of any material, nonpublic information regarding these companies between the firm and its affiliates.

Investment Banking Activities

Morgan Stanley advises its clients on a variety of mergers, acquisitions and financing transactions. Morgan Stanley may act as an advisor to clients that may compete with Parametric's clients and with respect to clients' investments. In certain instances, Morgan Stanley gives advice and takes action with respect to its clients or proprietary accounts that may differ from the advice Parametric provides, or involves an action of a different timing or nature than the action taken advised by Parametric. At times, Morgan Stanley will give advice and provide recommendations to persons competing with Parametric's clients and/or any of their investments, contrary to the client's best interests and/or the best interests of any of its investments.

Morgan Stanley could be engaged in financial advising, whether on the buy-side or sell-side, or in financing or lending assignments that could result in Morgan Stanley's determining in its discretion or being required to act exclusively on behalf of one or more third parties, which could limit Parametric clients' ability to transact with respect to one or more existing or potential investments. Morgan Stanley may have relationships with third-party funds, companies or investors who may have invested in or may look to invest in portfolio companies, and there could be conflicts between Parametric's clients' best interests, on the one hand, and the interests of a Morgan Stanley client or counterparty, on the other hand. To the extent that Morgan Stanley advises creditor or debtor companies in the financial restructuring of companies either prior to or after filing for protection under Chapter 11 of the Bankruptcy Code or similar laws in other jurisdictions, Parametric's flexibility in making investments in such restructurings on a client's behalf may be limited.

From time to time, different areas of Morgan Stanley will come into possession of MNPI as a result of providing investment banking services to issuers of securities. In an effort to prevent the mishandling of MNPI, Morgan Stanley will, at times, restrict trading of these issuers' securities by Parametric and its clients during the period such MNPI is held by Morgan Stanley, which period may be substantial. In instances where trading of an investment is restricted, clients may not be able to purchase or sell such investment, in whole or in part, resulting in Parametric clients' inability to participate in certain desirable transactions and/or a lack of liquidity concerning clients' existing portfolio investments. This inability to buy or sell an investment could have an adverse effect on a client's portfolio due to, among other things, changes in an investment's value during the period its trading is restricted. Parametric has implemented information barriers with its affiliates in order to minimize the impact of such restrictions on client portfolios.

Morgan Stanley could provide investment banking services to competitors of Parametric clients' portfolio companies, as well as to private equity and/or private credit funds, and such activities could present Morgan Stanley with a conflict of interest vis-a-vis a client's investment and also result in a conflict in respect of the allocation of investment banking resources to portfolio companies. To the extent permitted by applicable law, Morgan Stanley can provide a broad range of financial services to companies in which a client invests, including strategic and financial advisory services, interim acquisition financing and other lending and underwriting or placement of securities, and Morgan Stanley generally will be paid fees (that may include warrants or other securities) for such services. Morgan Stanley will not share any of the foregoing interest, fees and other compensation received by it (including, for the avoidance of doubt, amounts received by Parametric) with the client, and any advisory fees payable will not be reduced thereby.

Morgan Stanley could be engaged to act as a financial advisor to a company in connection with the sale of such company, or subsidiaries or divisions thereof, may represent potential buyers of businesses through its mergers and acquisition activities and could provide lending and other related financing services in connection with such transactions. Morgan Stanley's compensation for such activities is usually based upon realized consideration and is usually contingent, in substantial part, upon the closing of the transaction. Parametric's clients may be precluded from participating in a transaction with or relating to the company being sold under these circumstances.

Parametric believes that the nature and range of clients to whom our Affiliated Broker-Dealers render investment banking and other services is such that it would be inadvisable to exclude these companies from a client's portfolio. Accordingly, unless a client advises us to the contrary, it is likely that a client's holdings will include the securities of corporations for whom an Affiliated Broker Dealers performs investment banking and other services. Moreover, client portfolios may include the securities of companies in which Affiliated Broker-Dealers make a market or in which Parametric, its officers and employees and Affiliated Broker-Dealers or other related persons and their officers or employees have positions.

To meet applicable regulatory requirements, there are periods when Parametric will not initiate or recommend certain types of transaction in the securities of companies for which an Affiliated Broker-Dealer is performing investment banking service. Parametric clients will not be advised of that fact. In particular, when an Affiliated Broker-Dealer is engaged in an underwriting or other distribution of securities of a company, Parametric may be prohibited from purchasing or recommending the purchase of certain securities of that company for its clients. Parametric has implemented information barriers in order to minimize the impact of such restrictions on client portfolios. Notwithstanding the circumstances described above, clients, of their own initiative, may direct Parametric to place orders for specific securities transactions in their accounts. In addition, Parametric generally will not initiate or recommend transaction in the securities of companies with respect to which Parametric affiliates may have controlling interests or are affiliated.

Investment Limits

Various federal, state or foreign laws, rules and regulations, as well as certain corporate charters adopted by issuers in which Parametric may invest, limit the percentage of an issuer's securities that may be owned by Parametric and its affiliates. Parametric is more likely to run into these limitations than investment advisers with fewer assets under management and/or that are not affiliated with a large financial institution or financial holding company. In certain instances, for purposes of these ownership limitations, Parametric's holdings on behalf of its client accounts will be aggregated with the holdings of its affiliates. These ownership limitations may be in the form of, among others: (i) a strict prohibition against owning more than a certain percentage of an issuer's securities (the "threshold"); (ii) a "poison pill" that would have a material dilutive impact on our holdings in that issuer should Parametric and its affiliates exceed the threshold; (iii) provisions that would cause Parametric and its affiliates to be considered "interested stockholders" of an issuer if Parametric and its affiliates exceed the threshold; and (iv) provisions that may cause Parametric and its affiliates to be considered an "affiliate" or "control person" of the issuer. Parametric will generally avoid exceeding the threshold in these situations. With respect to situations in which Parametric and its affiliates may be considered "interested stockholders" (or a similar term), the firm will generally avoid exceeding the threshold because if it were considered an interested stockholder, Parametric and its affiliates would be prohibited (in some cases absent board and/or shareholder approval) from entering into certain transactions or performing certain services (including investment banking, financial advisory and securities lending) with or for the issuer. The firm will also generally avoid exceeding a threshold in situations in which Parametric may be considered an affiliate of the issuer for the reasons set forth above, as well as the fact that should Parametric be considered an affiliate of an issuer, the firm's ability to trade in the issuer's securities would become limited. For additional information on certain regulatory risks, including the Volcker Rule, please see the "Legal and Regulatory Risks" sub-section in *Item 8, Methods of Analysis, Investment Strategies and Risk of Loss*.

Investments in Affiliated Investment Funds

When permitted by applicable law and the investment guidelines applicable to individual client accounts, and considered by Parametric to be in the best interests of a client, the firm may recommend to you, and invest the assets of a client's account in various closed-end and open-end investment companies and other pooled investment vehicles for which Parametric and its affiliates receive compensation for advisory, administrative, or other services.

In certain circumstances, when required by applicable law or by agreement with the client Parametric will waive its investment management fee with respect to assets invested in pooled investment vehicles to the extent some or all of the compensation received by Parametric and its affiliates for services rendered with respect to such pooled investment vehicles. Parametric does not, in all instances, waive such investment management fees.

Investment Management Activities

It is possible that the firm's officers or employees will buy or sell securities or other instruments that Parametric has purchased on behalf of or recommended to clients. Moreover, from time to time Parametric will purchase and sell on behalf of or recommend to clients the purchase or sale of securities in which the firm or its officers, employees or related persons have a financial interest. These transactions are subject to firm policies and procedures regarding personal securities trading, as well as to the requirements of the Advisers Act, the 1940 Act and other applicable laws. Firm policies and procedures, the Advisers Act and the 1940 Act require that Parametric place the interests of its clients before its own.

From time to time, various potential and actual conflicts of interest arise from the overall advisory, investment and other activities of Parametric and its affiliates, and personnel (each, an Advisory Affiliate and, collectively, the Advisory Affiliates).

The Advisory Affiliates manage long and short portfolios. The simultaneous management of long and short portfolios creates conflicts of interest in portfolio management and trading in that opposite directional positions may be taken in client accounts managed by the same investment team, and creates risks such as: (i) the risk that short sale activity could adversely affect the market value of long positions in one or more portfolios (and vice versa) and (ii) the risks associated with the trading desk receiving opposing orders in the same security simultaneously. In certain circumstances, Advisory Affiliates invest on behalf of themselves in securities and other instruments that would be appropriate for, held by, or may fall within the investment guidelines of the funds and/or client accounts managed by them (collectively, the Advisory Clients). At times, the Advisory Affiliates will give advice or take action for their own accounts that differs from, conflicts with, or is adverse to advice given or action taken for any of the Advisory Clients.

From time to time, conflicts also arise due to the fact that certain securities or instruments may be held in some Advisory Clients but not in others, or the Advisory Clients may have different levels of holdings in certain securities or instruments, and because the Advisory Clients pay different levels of fees to us. In addition, at times an Advisory Affiliate will give advice or take action with respect to the investments of one or more Advisory Clients that is not given or taken with respect to other Advisory Clients with similar investment programs, objectives, and strategies. Accordingly, Advisory Clients with similar strategies will not always hold the same securities or instruments or achieve the same performance. Advisory Affiliates also advise Advisory Clients with conflicting programs, objectives or strategies.

Any of the foregoing activities may adversely affect the prices and availability of other securities or instruments held by or potentially considered for one or more Advisory Clients. Finally, the Advisory Affiliates may have conflicts in allocating their time and services among their Advisory Clients. Parametric will devote as much time to each of its Advisory Clients as it deems appropriate to perform its duties in accordance with its respective management agreements.

Different clients of Parametric, including funds advised by Parametric or an affiliate, may invest in different classes of securities of the same issuer, depending on their respective client's investment objectives and policies. As a result, at times, Parametric will seek to satisfy its fiduciary obligations to certain clients owning one class of securities of a particular issuer by pursuing or enforcing rights on behalf of those clients with respect to such class of securities, and those activities may have an adverse effect on another client, which owns a different class of securities of such issuer. For example, if one client holds debt securities of an issuer and another client holds equity securities of the same issuer, if the issuer experiences financial or operational challenges, Parametric may seek a liquidation of the issuer on behalf of the client that holds the debt securities, whereas the client holding the equity securities may benefit from a reorganization of the issuer. Thus, in such situations, the actions taken on behalf of one client can negatively impact securities held by another client. The firm has adopted procedures pursuant to which conflicts of interest, including those resulting from the receipt of material, nonpublic information about an issuer, are managed by our employees through information barriers and other practices.

Parametric and its affiliates, from time to time, will pursue acquisitions of assets and businesses and identify an investment opportunity in connection with its existing businesses or a new line of business without first offering the opportunity to clients. Such an opportunity could include a business that competes with a client or an investment fund or a co-investment in which a client has invested or proposes to invest.

From time to time, Parametric may be retained to manage assets on behalf of a client that is a public or private company in which it has invested or may invest on behalf of sub-advised mutual funds and other client accounts.

General Process with Potential Conflicts

All of the transactions described above involve the potential for conflicts of interest between Parametric, its related persons, and its clients. The Advisers Act, the 1940 Act and ERISA impose certain requirements designed to decrease the possibility of conflicts of interest between an investment adviser and its clients. In some cases, transactions may be permitted subject to fulfillment of certain conditions. Certain other transactions may be prohibited. In addition, the firm has implemented policies and procedures designed to prevent conflicts of interest from arising and, when they do arise, to ensure that it effects transactions for clients in a manner that is consistent with its fiduciary duty to its clients and in accordance with applicable law. Parametric seeks to ensure that potential or actual conflicts of interest are appropriately resolved taking into consideration the overriding best interest of the client.

Parametric has adopted policies and procedures and established controls designed to require review of transactions in which conflicts of interest may exist, including those described above, to ensure that applicable policies and legal and regulatory requirements are followed.

Item 12—Brokerage Practices

Parametric is generally assigned full investment authority and discretion to purchase, sell or exchange client assets in accordance with the client's specified investment objective or strategy. Unless directed otherwise, Parametric is also authorized to select the broker-dealers to be used to execute securities transactions on behalf of client accounts. As noted earlier, Parametric advises its clients from and maintains trading desks at its offices located in Seattle, Minneapolis, Boston, New York, and Westport. Parametric Seattle trades primarily in equity securities, including stocks of issuers located in developed, emerging and frontier markets, depository receipts, participatory notes, exchange-traded funds, closed-end funds and foreign currencies. Parametric Seattle frequently trades at market close prices (as opposed to timing trading prices throughout the trading day), and frequently trades through the custodian client accounts are held at (as opposed to selecting individual brokers for specific trades). Parametric Minneapolis trades primarily in futures, options, exchange-traded funds, swaps, forwards and Treasury securities. Parametric Westport trades exclusively in equity and equity index put and call options. Parametric Boston and Parametric New York trade exclusively in fixed-income securities. In some cases, a client's portfolio is managed by more than one office. It is unlikely that one trading desk would compete with the others when implementing buy and sell transactions. The Equities & Derivatives Best Execution Committee monitors the trading activities of the Seattle, Minneapolis and Westport offices. The Eaton Vance Trade Management Committee monitors the trading activities of the Boston and New York offices.

Best Execution

Parametric has a fiduciary obligation to act, at all times, in the best interest of its clients and to seek best overall execution in client trading. The firm generally has the authority to execute trades through any broker-dealer, dealer and/or exchange it deems appropriate, and may negotiate commission and similar fees and expenses. To guide investment personnel in seeking best execution, Parametric Seattle, Minneapolis, and Westport only use brokers or counterparties which have been pre-approved by the firm's Best Execution Committees, Parametric New York and Boston, which generally only trade on a delivery-versus-payment basis (DVP), maintain respective approved broker lists which are reviewed annually and do not require pre-approval from the firm's Best Execution Committees. Parametric does not consider the promotion or sale of mutual funds or other products affiliated with or managed by Parametric or its affiliates when selecting brokers to execute client transactions. Parametric carefully monitors and evaluates transaction costs and the quality of execution across all strategies and client portfolios. Parametric utilizes the services of third-party service providers to assist with best execution analysis on equity trades. Additionally, Parametric utilizes certain transaction information provided by electronic execution platforms and a third party service provider for options executions to assist with best execution analysis. In analyzing best overall execution, Parametric considers various factors, including but not limited to: specific market and trading impact, number of shares being traded, share price, trading costs, exchange costs, and other material inputs. The nature of fixed income markets makes it more difficult to analyze best execution on a trade-by-trade basis, as fixed income securities often trade less frequently than securities such as equities, and as described in the following paragraph, are frequently traded on a principal basis and not on exchanges. The Eaton Vance Trade Management Committee actively monitors overall fixed income trading to identify any best execution trends.

Parametric always seeks to effect transactions at the price, commission and other relevant factors that provide the most favorable total overall cost or proceeds reasonably attainable given the circumstances. Parametric may consider various factors when selecting a broker-dealer, including but not limited to: the nature of the portfolio transaction; the size of the transaction; the execution, clearing and settlement capabilities of the broker-dealer; the broker-dealer's experience and ability to place difficult trades; access to markets; the reputation, financial strength and stability of the broker-dealer; availability of alternative trading platforms; the desired timing of the transaction, and confidentiality. Parametric tracks trade order volumes and commissions paid to approved brokers for use in evaluating the firm's trading practices and for client reporting purposes. Fixed income trades are generally purchased from the issuer or a broker-dealer, where each of these parties are acting as a principal on a net basis (e.g. the spread between the bid and offer prices), so unlike with equity trades, brokerage commissions are uncommon. Fixed income securities may also be purchased in public offerings from underwriters where underwriting fees and commissions are baked into the price, or may also be purchased at a spread to a reference U.S. Treasury security. In recent years, an increased volume of fixed income trading has moved to electronic trading platforms or ATSs which may charge a fee for trades executed on such platform. Parametric New York has agreements with certain independent broker-dealers under which Parametric New York has the ability to execute competitive odd-lot sales through such independent broker-dealers, and retains the option, but not the obligation, to purchase that security from that broker for another account on that day at competitive prices (generally subject to a markup at the broker-dealer). As a fiduciary to the selling and buying client, to address potential conflicts of interests with these trades, Parametric New York has established policies and procedures designed to monitor compliance with best execution obligations for clients on both sides of the transactions.

Many of Parametric's investment management services involve some level of custom portfolio construction and implementation. In such instances, accounts and trades (initial investment, portfolio rebalancing, or redemption/contribution) are created and evaluated as a unique scenario.

Separate accounts do not follow the trading or regulatory conventions employed by or required of mutual funds and/or ETFs. Parametric requires time to construct trades in client accounts and requires that activity such as rebalancing, or cash flows be submitted by strategy specific deadlines. While Parametric generally executes trades within the same day of receiving or processing account activity, execution timing varies. It is not uncommon for trade execution to extend to the following day. Additionally, trade execution can take several days. There are many reasons for trades being delayed or extended, including complex scenarios or client requests, market activity and liquidity, data verification, vendor issues, system issues and upgrades, etc. Due to the customized, separately managed nature of the firm's portfolio management activities, Parametric's strategies are not suitable for market timing or price targeting activities.

Cross Trades

Parametric has not historically sold securities from one client's account managed by Parametric or an affiliate to another client account managed by Parametric or an affiliate (Cross Trade). However, separate from agency cross transactions described above, Parametric may in the future deem it advisable to enter into a Cross Trade. Cross Trades present an inherent conflict of interest because Parametric (or an affiliate) acts on behalf of both the selling and buying accounts in the same transaction. As a result, the use of Cross Trades could result in more favorable treatment of one client over the other. Additionally, there is a risk that the price at which a Cross Trade is executed may not be as favorable as the price available in the open market. To address such risks and conflicts, Parametric has adopted policies and procedures which, among other requirements: acknowledge Parametric is a fiduciary; any Cross Trade is subject to Parametric's duty to obtain best execution; requires clients to consent to Cross Trades before the Cross Trade may be executed, and; prohibits Parametric from collecting any commissions. Parametric has adopted specific policies for Cross Trades in a mutual fund for which Parametric acts as a sub-adviser to ensure compliance with Rule 17a-7 of the 1940 Act. For regulatory, legal or other reasons, Parametric will not execute Cross Trades for certain clients, such as ERISA clients, which could disadvantage those clients as compared to clients for whom Parametric executes Cross Trades.

Soft Dollars

Parametric does not enter into soft dollar agreements to pay for research and does not otherwise allocate brokerage commissions to pay for research or other products or services. In connection with seeking best execution, Parametric will send trades to brokers that provide brokerage services that directly relate to the execution of trades and satisfy the temporal standard under Section 28(e) of the Securities Exchange Act of 1934. These brokerage services include trading software used to route orders electronically to market centers and the provision of fixed connections used to electronically effect securities transactions. These brokerage services are provided at no cost to Parametric. These brokerage services are used for trading for any client, regardless of the selection of broker. Parametric will only continue to use such services if it is satisfied that access to the resources does not increase client costs directly or indirectly.

Client Directed Brokerage

Certain clients request that Parametric direct some or all trading activity to a single broker-dealer or group of broker-dealers, including Affiliated Broker-Dealers, to accommodate an external agreement between those parties or to comply with client investment guidelines. If a client decides to direct trading activity to a broker-dealer and its brokerage is placed by Parametric, the client should first consider the following information:

- Parametric has existing integrated trading and reporting systems with some broker-dealers which reduce the cost of transacting business with those broker-dealers.
- A client who directs Parametric to use a specific broker-dealer often pays higher commissions on some transactions than might be attainable by Parametric, or may receive less favorable execution on some transactions, or both.

- A client who directs Parametric to use a specific broker-dealer may forego any benefit from savings on execution costs that Parametric could obtain for its clients through negotiating volume discounts on batched transactions.
- Parametric may not begin to execute client securities transactions with broker-dealers that have been directed by clients until all non-directed brokerage orders are complete.
- If the broker-dealer the client directs Parametric to use does not have access to new issue bonds, or is not able to source bonds with limited inventory, the client may not be able to participate in investment opportunities available to other Parametric clients.
- Clients directing brokerage may not generate returns equal to clients that do not direct brokerage.

FX Transactions

Portfolio transactions in foreign currencies or in overseas markets often involve foreign currency transactions when settling trades, adding/removing unwanted currency exposure, or when converting or repatriating dividends and proceeds from other corporate actions. Parametric generally executes foreign exchange transactions for clients with approved counterparties. When executing these transactions for clients, Parametric recognizes its responsibility to seek best execution for the portfolio and to pursue favorable rates with foreign exchange broker-dealers. In some cases, such as when local laws require it, a client's custodian may be required to execute any foreign exchange transactions in a client's account. In such cases, Parametric is not involved with the execution of a foreign exchange transaction and does not monitor the client's custodian to ensure the custodian obtains best execution.

Trade Aggregation and Allocation

Parametric will aggregate or "block" trades if, in Parametric's reasonable judgment, such aggregation may result in an overall economic benefit participating clients' accounts, taking into consideration the more advantageous purchase or selling price, brokerage commissions, and the execution capabilities of the selected broker-dealer. By aggregating trades for multiple client accounts into a larger, single block order, Parametric ensures that participating client accounts receive the same execution price. In addition, Parametric may be able to obtain a better execution price and more favorable trade execution for all participating client accounts.

Although certain client accounts are subject to directed brokerage requirements, Parametric frequently conducts step-out transactions when it is deemed to be in a client's best interest. Parametric will "step-out" a trade when it places a trade order for one or more client accounts with a broker-dealer who executes the trade and then steps-out portions of the trade to the applicable directed broker-dealer(s) for clearance and settlement. In certain cases, the executing broker-dealer will receive commissions from the participating discretionary client accounts, but will not receive commissions from participating directed brokerage accounts. There are also instances where Parametric will execute a step-out transaction on a net basis, whereby the negotiated price is marked up or marked down to compensate the executing broker-dealer for its services. Although mark-up/mark-downs may independently be more costly to the client in terms of commissions, Parametric believes that the selected broker-dealer being paid for these additional services offers the best combination of price and cost-execution. That is, the combination of directed brokerage and discretionary accounts in one block order benefits all participating accounts because concentrating the execution of the orders with one broker-dealer can result in a better overall price and execution for all participating accounts. Step-out transactions are conducted more frequently for certain strategies that invest in security types which are less liquid. The Enhanced Income strategies, which invest primarily in less liquid closed-end funds, consistently step-out trades on behalf of clients.

In the event that trade allocation is required, trade allocation policies are designed to ensure fair and equitable allocation of investment opportunities among accounts over time and to ensure compliance with applicable regulatory requirements. Accounts are treated in a non-preferential manner, such that allocations are not based upon account performance, fee structure or the portfolio manager. The policies do not provide or require mathematical precision in all instances.

The trade allocation process Parametric Seattle, Minneapolis, and Westport is automated within the firm's order management systems. When an aggregated order is completed in its entirety, the order will then be allocated to accounts in accordance with the preliminary allocation schedule, or on a pro rata basis if the order is only partially filled. For certain securities and derivatives which may have liquidity or other trading limitations, it may be necessary to place the order before setting the allocation among the participating accounts. In such instances, the allocation will be completed as soon as reasonably possible after execution. In any event, allocations must be placed or defined no later than the end of the trading day. Fully executed orders will receive the average price obtained in the trades. Partially filled orders will be allocated pro rata based on the original predetermined allocation, on an average price basis, subject to certain limited exceptions. If the allocation is de minimis (i.e., disproportionately small in relation to the size of the account or strategy), the allocation may be reallocated to other participating accounts which remain unfilled. There may be situations in certain portfolios where non pro-rata trade allocations occur due to limited liquidity or market rules. Records shall be kept by traders and/or portfolio managers supporting the reason for any such reallocation. Parametric Boston and New York utilize proprietary models and third parties tools to assist in the allocation process, but the investment groups retain discretion to allocate in compliance with such group's policies and procedures governing allocation. If the availability of bonds is not sufficient to create meaningful positions in all client accounts eligible to participate, and to avoid creating odd-lots which may encounter future liquidity problems, Parametric Boston and New York may choose to allocate to a limited number of clients, taking into account factors such as the cash holdings of accounts, the impact to the account's weighted average duration as compared to similar client accounts within the same composite, or other account specific considerations.

As discussed in *Item 6 – Performance-Based Fees and Side-By-Side Management*, Parametric is incentivized to favor certain accounts (e.g. larger accounts/relationships, or higher fee paying accounts) when allocating investment opportunities. Parametric believes that the policies and procedures discussed above are designed to mitigate these conflicts of interest by requiring all clients are treated fairly and equitably over time.

Trade Rotation

As disclosed above, Parametric Seattle is subject to several client directed-brokerage arrangements. As such, Parametric Seattle regularly transmits trade orders for the same securities to multiple "non-discretionary" brokers. Parametric Seattle aggregates trade orders and generally transmits them to these brokers at the same time so that no client account or set of accounts is favored over another. However, the Seattle trading desk has adopted trade rotation procedures for those occasions when the transmission of multiple, competing orders into the marketplace will be harmful to participating clients. The price of less liquid securities and certain types of securities, such as ADRs and non-exchange traded securities, can be materially impacted by a large increase in order volume. These procedures are designed to ensure that participating client accounts are treated fairly and equitably over time. When it is deemed necessary, Parametric Seattle will transmit trade orders to multiple brokers following a randomly generated rotation schedule. By staggering the release of competing orders into the market, Parametric will attempt to limit the impact on the execution price of the securities.

Parametric Seattle's trade rotation procedures are generally applicable to equity securities only. Parametric Boston, Minneapolis, New York, and Westport have trading procedures that are designed to ensure that participating client accounts trading fixed income securities, derivatives and other financial instruments are treated fairly and equitably over time. As such, Parametric Boston, Minneapolis, New York and Westport follow their respective trade allocation and aggregation procedures when trading non-equity securities.

Model Rotation

Parametric has entered into agreements with third parties under which Parametric's advisory services are limited to the regular provision of a model portfolio to the third party. The third party is responsible for implementation of the model, including the purchase and sale of securities in client accounts. Parametric also manages fully discretionary client portfolios using these models. In accordance with its policy to treat all clients fairly and equitably over time, Parametric has implemented procedures whereby Parametric rotates the order in which each model is released to the third party and traded internally on behalf of Parametric's clients. By rotating the order in which the model is released or traded, Parametric seeks to ensure neither clients utilizing the model or clients for which Parametric is executing trades are being systematically disadvantaged over time.

Wrap Accounts

Parametric serves as an investment manager to separate accounts in various wrap fee programs. While Parametric may have discretion to select broker-dealers other than the wrap program sponsor to execute trades for wrap accounts in a particular program, equity trades are generally executed through the financial institution sponsoring the wrap program, while fixed income trades are frequently executed away from the financial institution sponsoring the wrap program. A wrap program sponsor may instruct Parametric not to execute transactions on behalf of the wrap accounts in that program with certain broker-dealers. When a sponsor restricts Parametric in this way, it may affect Parametric's ability to negotiate favorable commission rates or volume discounts, the availability of certain spreads, and the timeliness of execution. This may consequently result in a less advantageous price being realized by the account. Parametric endeavors to treat all wrap accounts fairly and equitably over time in the execution of client orders. Depending on various factors, such as the size of the order and the type and availability of a security, orders for wrap accounts may be executed throughout the day. When orders are placed with broker-dealers, such trades may experience sequencing delays and market impact costs, which the firm attempts to minimize. When the trading desks deem it appropriate, trades for wrap accounts may be rotated in accordance with Parametric's trade rotation policy to treat all clients fairly and equitably over time.

Counterparties

Parametric enters into agreements with unaffiliated financial intermediaries for certain trading in client portfolios. To assess counterparty risk, Parametric and its affiliates conduct initial due diligence on the counterparty prior to the execution of the trading agreement and continues monitoring each financial counterparty on a periodic basis. Counterparty arrangements for swaps, forwards, certain participatory notes, and similar transactions involve greater counterparty risk than execution through a registered exchange or trades done on a DVP basis. Parametric attempts to reduce the risk of non-performance or default by counterparty by dealing primarily with established, well-financed organizations that continually demonstrate creditworthiness.

Trade Errors

On occasion, Parametric, a broker-dealer, or a third party will make an error when ordering, executing, or settling a securities transaction on behalf of a client account. In accordance with its fiduciary obligation to each client, Parametric will seek to correct trade errors promptly, fairly, and consistently. Parametric will not correct an error in a manner which favors one client at the expense of another client. Parametric will reimburse a client for a loss resulting from a Parametric error or subsequent Parametric actions taken to correct the error in the client's account. If an erroneous trade settles in a client account and results in a gain, it will be retained by the client unless the client elects to decline it; any gains declined by a client will be donated to charity. Parametric has established error accounts with certain brokers for the sole purpose of correcting trade errors. Each such account is maintained subject to the terms and conditions set by the broker. Any securities acquired by an account during the trade correction process are promptly disposed of. Brokerage commissions from client transactions will not be used to correct trade errors or compensate broker-dealers for erroneous trades.

Certain trade errors create a conflict of interest when Parametric is responsible for calculating the gain or loss to a client account. When Parametric will have to reimburse a client for a loss, Parametric is incentivized to calculate the loss in a manner which would minimize such loss. To mitigate this risk, Parametric will notify the client or their adviser of the error and offer to provide the analysis conducted to determine the reported loss. Clients can be reimbursed directly via check, wire transfer, or by deducting the loss from future management fees.

Item 13—Review of Accounts

Parametric Seattle

In addition to ongoing daily management of accounts, Parametric Seattle reviews all of its investment advisory accounts on an exception basis during monthly Portfolio Management Committee meetings. These reviews are performed by senior investment management personnel. As part of such review, an account's investment strategy, performance and other factors are analyzed. A determination is then made as to whether an account's respective strategy requires alteration in light of its investment objectives and restrictions.

Reviews of accounts also occur when investment strategies and objectives are changed by the investment advisory client or Parametric, or when significant events occur which are expected to impact the value of the account.

Parametric Seattle provides written reports to clients whose accounts are managed by investment personnel located in Seattle, Boston and New York. These reports are produced on at least a quarterly basis. These reports are delivered directly by mail, electronically by email, or are accessible to clients via a password-protected website portal. The frequency of reports and method of their delivery vary from client to client. Such reports generally consist of an account valuation combined with both a pre- and post-tax performance summary and analysis (when applicable). The assets under management, portfolio holdings and performance reported are taken from Parametric's accounting systems. As such, they may differ from a client's official custodial record due to pending portfolio activities such as contributions and redemptions, pending reconciliations, and fair-valued securities. This is particularly true when such activities are pending at or near the end of a performance period. Client performance summaries and any related data produced by Parametric are not audited. Clients are encouraged to carefully review and compare the official custodial records with the various data and performance statistics reported by Parametric. Reporting to clients in sub-advisory or wrap fee programs where Parametric is the sub-adviser is generally provided by the program sponsor; content will vary by program. Upon request, Parametric may provide a detailed inventory of all holdings, a transaction summary, a listing of all dividend and income payments received, and a realized gain and loss report. Reports provided by Parametric are not audited and may differ from statements provided by client custodians. If a client chooses not to receive a statement from Parametric, the firm will reasonably assume and will rely on such assumption that the custodian is a "qualified custodian" under the Advisers Act and is providing the client with quarterly statements in accordance with Rule 206(4)-2 promulgated under the Advisors Act.

Parametric Minneapolis & Westport

Parametric Minneapolis and Westport enters applicable client restrictions into its trading systems and additionally evaluates client account performance relative to mutually agreed upon objectives on a monthly basis, or more frequently should market actions dictate. Parametric Minneapolis and Westport's investment staff meets regularly to review market activity, discuss developments affecting short-term strategies, present updated market outlooks, and discuss potential strategy changes and matters affecting client portfolios. Parametric Minneapolis and Westport's Portfolio Managers have primary responsibility for the specific investments in client portfolios.

Reviews of accounts will also occur when investment strategies and objectives are changed by the investment advisory client or Parametric, or when significant events occur which are expected to impact the value of the account.

Parametric Minneapolis and Westport provides written reports to clients on at least a quarterly basis. These written reports are delivered to clients by mail, electronically via email or are accessible to clients via a password protected internet site. The frequency of reports and method of their delivery may vary from client to client. Generally, these reports detail the account's current holdings broken down by type of investment, a list of all cash transactions for the past quarter, a summary of all transactions that resulted in realized gain or loss, and a summary of the account performance for the current period and year to date. Indexed equity, fixed income and specialty derivative securities accounts may elect to receive reporting on a monthly basis. Reports provided by Parametric are not audited and may differ from statements provided by client custodians because of different accounting procedures, reporting dates or valuation methodologies for certain securities. Clients are encouraged to carefully review and compare the official custodial records with the various data and performance statistics reported by Parametric. If a client chooses not to receive a statement from Parametric, the firm will reasonably assume and will rely on such assumption that the custodian is a "qualified custodian" under the Advisors Act and is providing the client with quarterly statements in accordance with Rule 206(4)-2 promulgated under the Advisors Act.

Parametric Boston and New York

The firm's fixed income strategies are managed by investment personnel situated in Boston and New York, subject to oversight from applicable investment committees. The frequency of the review of fixed income accounts, the nature of the review and the factors which may trigger reviews can vary widely among particular accounts, depending on the client's investment objectives and circumstances and the complexity, portfolio structure and size of an account. The portfolio manager of each account (or his or her designated representative) is responsible for reviewing all accounts for which he or she is the principal account manager. The responsible portfolio managers conduct regular reviews at or prior to the time quarterly written reports are sent to clients. Interim reviews may be triggered by numerous factors, such as: significant price or interest rate changes; new economic forecasts; investment policy changes; asset additions or withdrawals to the account by the client; and/or changes in a client's objectives, instructions, or circumstances. The report also may include other data, including (among other things) investment commentary.

The number of accounts assigned to individual portfolio managers may vary depending upon an individual's responsibilities within the firm or upon the complexity, size, discretion level or other circumstances of the particular accounts involved.

Item 14—Client Referrals and Other Compensation

Parametric has entered into revenue sharing and mutual solicitation agreements with certain affiliates, including EVD, EVM and EVMI, with regard to certain investment products or services that are jointly marketed and promoted. It is likely that Parametric will enter into similar agreements with Morgan Stanley affiliates in the future. Under such agreements, Parametric receives from or pays to the affiliate a portion of the advisory fee received. Clients do not pay higher advisory fees to compensate for any payments made pursuant to these agreements. Parametric has written arrangements with sales personnel that detail incentive-based compensation to be paid in connection with the sale of Parametric's investment products and services. Certain Parametric employees are also registered representatives of EVD and receive compensation for promoting Eaton Vance sponsored funds and strategies.

Parametric has engaged third parties to solicit business on its behalf. Solicitors are paid a portion of the investment advisory fee charged by Parametric to the solicited client. All solicitation fees paid to a solicitor are paid pursuant to a written agreement between Parametric and the solicitor. Parametric will enter into solicitation arrangements only if written agreements are in place, and all parties are in full compliance with all requirements under the Adviser's Act Rule 206(4)-3. A written disclosure document, which details the terms of the compensation arrangement between Parametric and the solicitor as well as administrative proceedings and disciplinary events involving the solicitor, if any, will be provided to any solicited client.

From time to time, Parametric consults with an advisory council made up of experienced industry professionals (Family Office Advisory Council or Council). Council members (Council Member) may be current or former partners, officers, directors or employees of registered investment advisers (Council Related Advisers). Council Members are hired to consult with Parametric on certain industry trends, market opportunities and best practices. Although Council Members do not solicit on behalf of Parametric, Parametric may manage investment products for or provide services to Council Related Advisers or manage the assets of Council Related Advisers' clients (Council Related Clients). The provision of investment products and/or services to Council Related Advisers and Council Related Clients creates a potential conflict of interest for Parametric, Council Members, and/or the Council Related Advisors.

Item 15—Custody

Client assets are maintained by qualified custodians. Parametric does not select custodians on behalf of clients. In addition, Parametric does not recommend custodians to clients nor does it require or request client assets to be maintained by specific custodians. In connection with the management of PPA Private Funds, in connection with other client accounts for which Parametric has discretion to deduct its advisory fee, or in situations where clients elect to have MSSB act as qualified custodian (Other Accounts), Parametric will generally be deemed to have custody of client assets under Rule 206(4)-2 under the Advisers Act (Custody Rule). In regard to the PPA Private Funds, each fund has made arrangements with a qualified custodian to maintain its assets. The annual financial statements of the PPA Private Funds are audited by an independent public accountant registered with the Public Company Accounting Oversight Board as required by the Custody Rule. In relation to the Other Accounts, Parametric has a reasonable basis to believe that such accounts receive a custodial statement on at least a quarterly basis.

Certain separate account clients' agreements with third party custodians, of which Parametric is not a party to, may grant Parametric powers which may be interpreted as granting Parametric custody over the clients assets. Parametric expressly disclaims and rejects such authority in order to avoid being deemed to have custody over such assets.

Clients generally receive quarterly statements from the broker-dealer, bank or other qualified custodian that holds and maintains custody of the specified client assets. Clients are encouraged to carefully review such statements and to compare such official custodial records to the quarterly performance summaries that Parametric may provide to clients or their advisors. Parametric summaries may vary from custodial statements based on different accounting procedures, reporting dates, or valuation methodologies for certain securities.

Item 16—Investment Discretion

Parametric receives discretionary authority from the client during the onset of the advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account. Investment guidelines and restrictions must be provided to Parametric in writing.

When selecting securities and determining amounts, Parametric observes the investment policies, limitations and restrictions of the clients it advises. For registered pooled investment vehicles, Parametric's authority to trade securities may also be limited by certain federal or country-specific securities and tax laws that require diversification of investments and favor the holding of investments made for a Fund account.

Certain client relationships are non-discretionary. In these cases, Parametric executes transactions as specifically directed, or subject to approval prior to execution, by the client.

Class Actions and Other Legal Proceedings

Parametric clients frequently receive notices of class action litigation, bankruptcy proceedings and settlements involving a security held in their portfolios. These notices provide the client the opportunity, as an investor, to participate in the proposed litigation or the settlement of claims. The responsibility and authority for responding to class actions and other legal proceedings rests with the registered security owner, its legally appointed agent (i.e., custodian) or its attorney. Parametric will not act as a registered or legally appointed agent for its advisory clients. Parametric does not provide legal advice. Parametric is not authorized or qualified to respond to class action notices on behalf of its clients. Parametric's responsibilities are limited to the provision of investment advisory services as documented in the investment management agreement between Parametric and each client. Clients are strongly urged to consult with appropriate legal counsel before evaluating, responding to and participating in any class action litigation or other legal proceedings.

Item 17—Voting Client Securities

Parametric Seattle manages investment strategies that invest primarily in equity securities. As such, Parametric is delegated the responsibility to vote proxies on behalf of most clients. Parametric Boston, Minneapolis, New York, and Parametric Westport, which manage fixed-income, overlay and options-based strategies, generally do not vote proxies on behalf of their clients but may have discretion to do so from time to time.

Parametric has adopted and implemented proxy voting policies and procedures (Proxy Voting Policies and Procedures) that govern proxy voting on behalf of clients for whom Parametric has voting responsibility. These policies and procedures are intended to ensure Parametric votes proxies in the best interest of its clients, that Parametric complies with Rule 206(4)-6, and fulfills its fiduciary obligations to its clients. Additionally, the Proxy Voting Policies and Procedures are intended to reflect the fiduciary standards and responsibilities set forth by the Department of Labor for ERISA accounts.

It is Parametric's policy to vote proxies in a prudent and diligent manner. Parametric bases its voting decision on its reasonable judgment of what will serve the best financial interests of its clients, the beneficial owners of the security. If deemed necessary, Parametric may consider research and guidance issued by a third party proxy service provider when making a vote determination. In determining its vote, Parametric will not and does not subordinate the economic interests of its clients to any other entity or interested party. To ensure that Parametric votes proxies consistently with this policy, Parametric has established predetermined proxy voting guidelines (the Guidelines), which are contained within the Proxy Voting Policies and Procedures. The Guidelines are set and annually reviewed by the firm's Proxy Voting Committee (the Committee).

The responsibility for voting proxies on behalf of a client account is typically assigned to Parametric in the investment management agreement or other documentation. Once Parametric has agreed to vote proxies on behalf of a client account, it will instruct the client's custodian to forward all proxy materials to Institutional Shareholder Services (ISS), a proxy voting service provider currently engaged by Parametric to administer proxy voting. Parametric currently utilizes ISS's ProxyExchange tool to manage, track and vote proxies in a more accurate and timely manner.

For those clients for whom Parametric has undertaken the responsibility to vote proxies, Parametric will retain final authority and responsibility for such voting. Parametric will not accept instruction from a client as how to vote a proxy. In addition to voting proxies, Parametric will:

- Provide clients with the Proxy Voting Policies and Procedures upon request, which may be updated and supplemented from time to time.
- Apply the policy consistently and keep records of votes for each client in order to verify the consistency of such voting.

- Keep records of such proxy voting available for inspection by the client or governmental agencies to determine whether such votes were consistent with policy and demonstrate that Parametric voted all proxies.
- Monitor such voting for any potential conflicts of interest and maintain procedures to deal with these issues appropriately.

Parametric's proxy voting is administered on a daily basis by Investment Strategy personnel (each a Coordinator), who are responsible for ensuring that proxies are received and voted in accordance with the Guidelines. The Director of Responsible Investing (the Director) will actively review research and guidance issued by third party proxy voting analysts regarding upcoming shareholder meetings. The Director may provide guidance to the Coordinator regarding the Guidelines and how they apply to a specific ballot. In the event that a proxy ballot item is received which is not addressed by the Guidelines, the Director will forward the proxy to the Committee for their determination as to how to vote the proxy in the client's best interest. The Coordinator may recommend a client refrain from voting a ballot if the economic effect on shareholders' interests or the value of the portfolio holding is indeterminable or insignificant (e.g., proxies in connection with securities no longer held in the portfolio of a client or proxies being considered on behalf of a client no longer in existence); or the cost of voting a proxy outweighs the benefits (e.g., certain international proxies, particularly in cases in which share blocking practices may impose trading restrictions on the relevant portfolio security). In such instances, the Coordinator may instruct the agent not to vote such proxy.

Proxy Voting Committee

Parametric has established a proxy voting committee, which meets on a quarterly basis to oversee and monitor the firm's proxy voting practices. The Committee is comprised of senior managers representing Compliance, Investment Strategy, and Portfolio Management. The Committee is responsible for making vote determinations for ballots items that are not addressed by the Guidelines. When doing so, the Committee may consider research and guidance issued by third party proxy service providers. The Committee will review any requests from clients or Parametric's employees as how to vote a particular proxy. Parametric will not accept instruction from a client no how to vote a proxy. On an annual basis, the Committee will review the Guidelines to ensure they are current, appropriate and designed to serve the best interests of clients.

Calvert Research and Management

For certain private funds and client accounts benchmarked against a CRM index or invested in a CRM investment strategy, Parametric has determined proxies will be voted in accordance with CRM's proxy voting guidelines and not Parametric's proxy voting guidelines. CRM is responsible for submitting any such proxy votes. It is possible that a proxy may be voted differently under CRM's guidelines than it would have been under Parametric's guidelines. Parametric will conduct ongoing due diligence to ensure CRM votes proxies in accordance with CRM's proxy voting guidelines. CRM's ADV Part 2A, which contains a summary of

Calvert's proxy voting policy and procedures is available at https://adviserinfo.sec.gov. Parametric will provide a copy of Calvert's proxy voting policy upon client request.

Proxy Advisor Due Diligence

Parametric may deem it to be in a client's best interest to engage a third party to research and/or vote a client's proxies. In all such cases, Parametric will exercise due diligence to ensure that the third-party firm can make recommendations and/or vote proxies in an impartial manner and in the best interest of the client. This evaluation will consider the proxy voting firm's business and conflict of interest procedures, and confirm such procedures appropriately address the firm's conflicts. On an annual basis, Parametric will evaluate the performance of any third-party proxy-voting firm and consider if business changes have impacted their ability to vote proxies objectively.

Certain institutional clients of Parametric have directed the firm to engage ISS to vote shareholder proxies in accordance with their customized proxy voting guidelines. ISS is responsible for coordinating with these clients' custodians to ensure that all proxy materials are received and processed in a timely manner. ISS is also responsible for maintaining copies of all proxy statements received and to promptly provide them to Parametric upon request.

Conflicts of Interest

Parametric will identify and actively monitor potential material conflicts of interest which may compromise its ability to vote a proxy ballot in the best interest of clients. Since the Guidelines are predetermined and designed to serve the best interest of clients, application of the Guidelines should, in most cases, adequately address any possible conflict of interest. Regardless, Parametric will monitor relationships that may result in a conflict of interest by and among its clients, Parametric or any affiliates by maintaining a list of actual or potentially conflicted companies. If Parametric is to vote a proxy ballot item not addressed by the Guidelines for a company on the list, the Coordinator will report the issue to the Director to confirm that the Guidelines do not address the proposal. If confirmed, the Director will escalate the proposal to the Committee. If the Committee determines that a material conflict exists and the proposal is not addressed by the Guidelines, it will make a good faith determination as how to vote the proxy and provide appropriate instructions to the Coordinator. The Committee will document its rationale when making determinations regarding potential conflicts of interest.

Record Keeping

Proxy voting records are maintained for seven years. Records can be retrieved and accessed online by Parametric via a third-party vendor.

In addition to maintaining voting records, Parametric maintains the following:

- Proxy Voting Policy and Procedures
- All written client requests as they relate to proxy voting

- Any material research or other documentation related to proxy voting

To Obtain Proxy Voting Information

Clients have the right to access any proxy voting activity taken on their behalf. Upon written request, this information will be provided free of charge.

- Phone number (you may place a collect call if you wish): 206 694 5542
- E-mail address: proxyinfo@paraport.com

In order to maintain confidentiality, Parametric will not provide voting records to any third party unless authorized by the client in writing.

Item 18—Financial Information

Registered investment advisers are required in this item to provide certain financial information or disclosures about their financial condition. Parametric has no financial commitments that impair its ability to meet its contractual and fiduciary commitments to clients, and has not been the subject of any bankruptcy proceeding.

FACTS	WHAT DOES PARAMETRIC DO WITH YOUR PERSONAL INFORMATION?
Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
What?	The types of personal information we collect and share depend on the product or service you have with us. This information can include: ▪ Social Security number and income ▪ investment experience and risk tolerance ▪ checking account number and wire transfer instructions
How?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Parametric chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Parametric share?	Can you limit this sharing?
For our everyday business purposes— such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes— to offer our products and services to you	Yes	No
For joint marketing with other financial companies	No	We don't share
For our investment management affiliates' everyday business purposes— information about your transactions, experiences, and creditworthiness	Yes	Yes
For our affiliates' everyday business purposes— information about your transactions and experiences	Yes	No
For our affiliates' everyday business purposes— information about your creditworthiness	No	We don't share
For our investment management affiliates to market to you	Yes	Yes
For our affiliates to market to you	No	We don't share
For non-affiliates to market to you	No	We don't share

To limit our sharing	Call 206 694 5575 or email: webmaster@paraport.com **Please note:** If you are a *new* customer, we can begin sharing your information 30 days from the date we sent this notice. When you are *no longer* our customer, we continue to share your information as described in this notice. However, you can contact us at any time to limit our sharing.
Questions?	Call 206 694 5575 or email: webmaster@paraport.com

Who we are	
Who is providing this notice?	Parametric Portfolio Associates LLC and our investment advisory affiliates ("Parametric") (see Investment Management Affiliates definition below)
What we do	
How does Parametric protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. We have policies governing the proper handling of customer information by personnel and requiring third parties that provide support to adhere to appropriate security standards with respect to such information.
How does Parametric collect my personal information?	We collect your personal information, for example, when you ▪ open an account or make deposits or withdrawals from your account ▪ buy securities from us or make a wire transfer ▪ give us your contact information We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.
Why can't I limit all sharing?	Federal law gives you the right to limit only ▪ sharing for affiliates' everyday business purposes—information about your creditworthiness ▪ affiliates from using your information to market to you ▪ sharing for non-affiliates to market to you State laws and individual companies may give you additional rights to limit sharing. See below for more on your rights under state law.
Definitions	
Investment Management Affiliates	Parametric's Investment Management Affiliates include registered investment advisers, registered broker-dealers, and registered and unregistered funds. Investment Management Affiliates does not include entities associated with Morgan Stanley Wealth Management, such as Morgan Stanley Smith Barney LLC and Morgan Stanley & Co.
Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies. ▪ *Our affiliates include companies with a Morgan Stanley name and financial companies such as Morgan Stanley Smith Barney LLC and Morgan Stanley & Co.*
Non-affiliates	Companies not related by common ownership or control. They can be financial and nonfinancial companies. ▪ *Parametric does not share with non-affiliates so they can market to you.*
Joint marketing	A formal agreement between nonaffiliated financial companies that together market financial products or services to you. ▪ *Parametric doesn't jointly market*

Other important information

Vermont: Except as permitted by law, we will not share personal information we collect about Vermont residents with Non-affiliates unless you provide us with your written consent to share such information.

California: Except as permitted by law, we will not share personal information we collect about California residents with Non-affiliates and we will limit sharing such personal information with our Affiliates to comply with California privacy laws that apply to us.